

MASTER AGREEMENT

between

MACK TRUCKS, INC.

and the

**INTERNATIONAL UNION
UNITED AUTOMOBILE
AEROSPACE AND
AGRICULTURAL IMPLEMENT
WORKERS OF AMERICA,
UAW
And Its Locals 171, 677,
1247, 2301, 2420**

October 25, 2019 – October 1, 2023

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MASTER AGREEMENT
MACK TRUCKS, INC.
AND THE
INTERNATIONAL UNION UNITED AUTOMOBILE
AEROSPACE AND AGRICULTURAL IMPLEMENT
WORKERS OF AMERICA, UAW

This Master Agreement (hereinafter designated as the "AGREEMENT"), made this 25th day of October 2019 by and between MACK TRUCKS, INC., a Pennsylvania corporation, (hereinafter designated as "MANAGEMENT" or the "COMPANY") and the INTERNATIONAL UNION, UNITED AUTOMOBILE, AEROSPACE AND AGRICULTURAL IMPLEMENT WORKERS OF AMERICA, UAW, on its own behalf and on behalf of its Locals Nos. 171, 677, 1247 and 2301 and 2420 (hereinafter designated collectively as the "UNION"), covering bargaining unit employees of the Company in facilities at Hagerstown, Maryland; Jacksonville, Florida; Allentown, Pennsylvania; Macungie, Pennsylvania; Middletown, Pennsylvania; and Baltimore, Maryland is for the purpose of memorializing the Agreement between the Parties (hereinbefore the Company and the Union).

WITNESSETH:

That the Parties hereto mutually agree as follows:

ARTICLE 1 - RECOGNITION

SECTION 1

The Company recognizes the Union as the exclusive collective bargaining agent for the employees of the Company in the bargaining units described in the Local Supplemental Agreements.

SECTION 2

The Company agrees to notify the Union as promptly as practicable of its intention to construct or acquire any new facility or any addition thereto.

SECTION 3 Management Rights

All management rights not expressly modified or relinquished by this Agreement are reserved to the Company. Such rights will not be exercised in a manner that conflicts with the express provisions of this Agreement. The exercise of such rights may be made the subject of a grievance under Article 5 of this Agreement.

ARTICLE 2 - UNION SHOP AND CHECK-OFF

SECTION 4

- (a) All present employees covered by this Agreement who are members of the Union as of the date of the signing of this Agreement shall continue their membership in the Union as a condition of employment. All present employees covered by this Agreement who are not members of the Union as of the date of the signing of this Agreement shall, as a condition of employment, become members of the Union upon the thirtieth (30th) calendar day following the date of the signing of this Agreement. All employees hired on or after the date of the signing of this Agreement and covered by this Agreement shall, as a condition of employment become members of the Union upon the thirtieth (30th) calendar day following the date of their employment.
- (b) All employees covered by this Agreement must become members of the Union and retain, as a condition of further employment, their membership in good standing in accordance with the Union's Constitution and By-laws for the duration of the contract, subject to the provisions of the National Labor Relations Act of 1947, as amended, or hereafter amended.
- (c) The Company will not retain or re-employ in any job in the bargaining unit an employee who fails to comply with the provisions of this Section.
- (d) If a dispute arises as to whether an employee has failed to maintain membership in good standing in the Union as required herein, such dispute may be submitted for determination by an arbitrator in accordance with the provisions of this contract. The decision of the arbitrator shall be final and binding upon the Parties.
- (e) An employee shall not be required to become a member of or continue membership in the Union as a condition of employment, if employed in any state which prohibits, or otherwise makes unlawful, membership in a labor organization as a condition of employment.

SECTION 5

- a) For the duration of this Agreement and subject to the provisions of this Section, the Company agrees to deduct from the wages earned, any regular benefits paid under the Supplemental Unemployment Benefits Plan, or any back pay awards for time lost from work as a result of a disciplinary suspension or discharge and pay over to the Local Union, the Union membership dues of all employees within the bargaining unit who are members of the Union and who, in writing, authorize and request the Company to do so in accordance with the provisions of this Section. In addition, any Settlement Bonus or payments under the Profit Sharing Plan shall have Union dues deducted at the rate of 1.44% of the total amount of any such payment. "Union membership dues" as used herein, means the employee's periodic dues and initiation fees. Should the Local Union later certify to the Company that the amount due as periodic Union dues has been changed, the Company shall deduct and remit in accordance with such certification. The Local Union will keep the Company

informed of the proper amounts to be deducted in each case, however, the frequency of such deduction shall be uniform throughout the Company. The Local Union shall give the Company at least two (2) weeks advance notice of any changes in the amounts to be deducted.

Employees who desire to authorize and request the Company to make such deductions and payments of their Union membership dues shall use the form attached hereto as Exhibit 1 and entitled "Authorization for Check-off of Dues". An alternative form of authorization for use with employees in units located in right-to-work states is attached as Exhibit 1-A.

Payroll deductions of the Union membership dues shall become effective in the calendar month during which the "Authorization for Check-off of Dues" form, properly filled out and signed by the employee, is submitted to the Company by the Local Union before the twentieth (20th) day of the month. If such forms are received on or after the twentieth (20th) day of the month, deductions shall become effective in the first payroll period of the subsequent month.

Payroll deductions of Union membership dues will be made from the last full workweek of the month and shall be taken from the first payday of the following month. Dues will also be deducted during the month from any regular Supplemental Unemployment Benefits payment. All such sums deducted by the Company shall be remitted to the Local Union Financial Secretary no later than the fifteenth (15th) day of the month. The Company will furnish to the Local Union the identity of employees for whom payroll or Supplemental Unemployment Benefits payment dues deductions are made. Such list will be furnished not later than the work day following pay day.

No payroll or Supplemental Unemployment Benefits deduction of Union membership dues shall be made from the earnings of any payroll period in which the employee's earnings after deducting taxes and other deductions required by law are insufficient to cover the full deduction for such payments. Amounts not deducted in any payroll period in a month due to lack of earnings or for any other reason will be deducted, to the extent earnings are available, in the last payroll period commencing in that month, but in no event will the deduction of membership dues be deferred beyond the calendar month in which such membership dues are initially owed.

Once each month, the Company will forward to the Local Union Financial Secretary a listing of employees' names and badge numbers indicating the reason for failure to include any sum or sums which would ordinarily have been checked-off from the wages or Supplemental Unemployment Benefits payment of the employees on the list under the provisions of this section.

- b) Any employee rehired after a loss of seniority status shall execute a new check-off authorization prior to any deductions of dues or initiation fees by the Company pursuant to this Article.

ARTICLE 3 - REPRESENTATION

Representation provisions are contained in the respective Local Supplemental Agreements.

ARTICLE 4 - NOTIFICATION

SECTION 6

The Union shall furnish the Company with a list of those employees elected to represent the Union as set forth in Article 3 of the respective Local Supplemental Agreements.

The Union will also furnish a list of the names of all officers of the Local Union referred to in Article 3 or Article 6 of the respective Local Supplemental Agreements.

SECTION 7

The Company shall furnish the International Union and the respective Local Unions with lists of the names of all employees in the respective bargaining units together with their last known mailing addresses as reflected in the Company's personnel records. Mailing lists will be provided in a reasonable timeframe upon request and it is understood that their use shall be restricted to appropriate Union purposes and the information shall not be disclosed to any third party.

ARTICLE 5 - GRIEVANCE PROCEDURE

A grievance is a specific request, protest or a complaint by an employee or the Union regarding disciplinary actions, the administration, interpretation, compliance or non-compliance of the contractual provisions of this collective bargaining agreement and other matters pertaining to conditions of employment. Should a grievance arise, the Union and the Company shall make an earnest effort to ascertain the facts and seek a fair and equitable resolution through the use of the following procedure.

The time limits specified throughout the grievance procedure may be extended by written mutual agreement. In cases of suspension or discharge the grievance filing and processing time limits for those cases are found in Article 19, Section 63 of the Master Agreement.

SECTION 8 STEP ONE

Any employee or a designated member of a group of employees having a grievance should first discuss the grievance with the appropriate supervisor **within three (3) working days of becoming knowledgeable of the issue**, who will attempt to adjust it.

If the grievance is not satisfactorily resolved after discussion, then it shall be reduced to writing, **in a method determined by the Company**, signed by the employee and/or the appropriate Local Union representative. Issues involving continued alleged contract violations, the Union need only file a single grievance to preserve its ongoing position. The Union will give written notice to Labor Relations of trailing occurrences. To be considered timely, a grievance must be reduced to writing and filed with Management within **ten (10)** working days of the occurrence of the facts giving rise to the grievance. For the purpose of defining "working days" within this article, working days shall be interpreted to mean the normal business days of Monday through Friday, excluding contractual holidays. Days and **plant shutdown periods** during which the employee is justifiably absent shall not be considered in computing the **ten (10)** day period. If the Union has been notified by the Company in accordance with Local practice of any layoff or recall, any grievance must be filed within the **ten (10)** day period.

The grievance shall be presented to the appropriate supervisor, **with a copy to the local Human Resources/Labor Relations Department.**

The supervisor shall respond in writing, within **five (5)** working days after receipt of the grievance.

The Union representative shall accept or reject the supervisor's answer, in writing, within five (5) working days of receipt.

Any Article, Section or Agreement relied upon in the grievance or grievance answer should be noted.

SECTION 9 STEP TWO

A written grievance which is not satisfactorily resolved by the written answer of the supervisor shall be taken up by the appropriate Local Union representative with the person designated in the applicable Local Supplemental Agreement as the Company's Step 2 representative **within ten (10) working days**. The Company's Step 2 representative will give written answers to all grievances discussed at Step 2 within five (5) working days after the meeting. The Union shall accept or reject the Company's answer within five (5) working days of its receipt. If the Grievance is not satisfactorily resolved it shall be taken up with the appropriate Company representative for the facility by the appropriate Local Union representative.

SECTION 10 STEP THREE- CHAIRPERSON / PRESIDENT

The appropriate Local Union representatives shall within the five (5) working days' time period advise the appropriate Company representatives in writing, of their desire to discuss a specified grievance or grievances, which were unresolved at Step 2 or were not required to be reviewed at Step 2, e.g. policy grievance. The Company representatives will meet with the Local Union representatives within ten (10) working days from the date of the receipt of notice, and will meet by mutual agreement

thereafter, so long as any of the specified grievances remain unresolved. **Attendees at such meeting shall be limited to two (2) additional representatives for each party.**

The Company representatives will give written answers to the written grievances submitted to him within ten (10) working days after the meeting at which the grievance is discussed. The Local Union **Representative** may have the assistance of the International Representatives of the Union at this meeting and thereafter.

If the grievance is not satisfactorily resolved at this step, then the Local Union representatives may appeal the grievance in writing to the Review Step within thirty (30) working days from the date of receipt of the Company's written Third Step answer by forwarding the appeal to the **Corporate** Labor Relations Department.

SECTION 11 REVIEW STEP

- a) Any grievance properly appealed to the Review Step of the grievance procedure shall be reviewed by the Parties in accordance with the provisions of this Section. In the case of properly appealed grievances involving discharge, the Review Step representatives shall arrange a meeting within two (2) weeks after receipt of notice.
- b) The Corporate Director of Employee **and Labor** Relations or designated representative, the designee of the Regional Director and/or the Mack Trucks Department Representative of the UAW will meet as necessary to hear grievances placed in the Review Step. Attendees at such meeting shall be limited to two (2) additional representatives for each Party.
- c) The Company's Review Step Representative shall give a written answer to all grievances discussed at the Review Step, within thirty (30) working days of a Review Step meeting. The Union's Review Step Representative will set forth, in writing, the Union's response to the written disposition of all grievances, within thirty (30) working days of receipt.
- d) Any dispute which is not settled by the foregoing grievance procedure, may be submitted to arbitration. Within thirty (30) days of rejecting the Review Step answer, the Union shall appeal the grievance to arbitration by giving written notice to the Corporate Director of Employee **and Labor** Relations. Any grievance which is not submitted to arbitration within this time period shall be considered settled on the basis of the last answer and not subject to further consideration.
- e) The Review Step may be waived by mutual agreement of the responsible Review Step representatives designated above. The Parties may, by mutual agreement of the responsible Review Step representatives, submit an unresolved grievance to mediation in lieu of or in addition to the Review Step of the grievance procedure. The purpose of mediation is to provide guidance to the

Parties in reaching an agreement to resolve a specific issue. The opinion of the mediator is not binding on the Parties nor may it be referenced in any arbitration nor may it be referenced in any adjudication. The Parties will select a mediator using the services of the Federal Mediation and Conciliation Service (FMCS). Following the mediation, both parties shall have thirty (30) calendar days to accept or reject the mediation recommendation. If the parties do not settle the grievance within thirty (30) working days of the mediation, the Union may appeal the grievance to arbitration as defined in Article 5, Section 12(a). The Company and the Union shall bear equally the costs, fees and expenses incidental to proceedings before the mediator.

f) Expedited Arbitration

The parties, in efforts to bring about quick resolution of workplace disputes or reduce costs of formal arbitrations, may elect to utilize expedited arbitration of grievances in lieu of the review step. Expedited arbitrations shall be limited to cases of discharge or disciplinary lay-off of five (5) or more days or grievances dealing with alleged contractual violations of the respective Supplemental Agreement. The Union shall notify the Company within thirty (30) working days from the date of receipt of the Company's written Third Step answers of its desire to waive the review step and move the grievance to expedited arbitration. The decision to proceed to expedited arbitration in lieu of the normal grievance procedure is subject to the review and agreement of the appropriate UAW International or Regional Representative and the respective Company review step representative. Such agreement shall not be unreasonably withheld. The Union shall contact American Arbitration Association within 15 working days of receipt of written approval for the request for expedited arbitration.

- 1) The parties shall designate an arbitrator under the rules of expedited arbitration of the American Arbitration Association.
- 2) The hearing shall be conducted in accordance with the following:
 - (a) The Rules and Procedure for Expedited Arbitration of the American Arbitration Association shall apply.
 - (b) AAA shall appoint a neutral arbitrator.
 - (c) The parties shall discuss and confirm dates for the expedited arbitration.
 - (d) Each case shall be presented by the appropriate local representative, which may include the third-step grievance representative.
 - (e) The hearing shall be informal. No briefs or transcripts are to be made.
 - (f) The arbitrator shall issue a decision no later than seven (7) days after the conclusion of the hearing excluding Saturdays, Sundays and holidays. The arbitrator's decision shall be based on the records and testimony presented during the hearing and shall include a brief written explanation for the basis of his conclusion. These decisions shall not be cited as precedent in any grievance or arbitration procedure.
 - (g) The decision rendered by the arbitrator will be binding upon the parties.
 - (h) The costs shall be shared equally by the parties.

SECTION 12 ARBITRATION

- (a) The Parties shall designate a permanent arbitrator to serve for a period of one year. A permanent arbitrator may be terminated by mutual agreement at any time and a new permanent arbitrator selected. The one year term may be renewed for subsequent one year terms on an annual basis.
 - (1) In the event the Union desires to take an unresolved grievance to arbitration, it must make application to the permanent arbitrator within **three (3)** months of the date that the Union notified the Company in writing of its intent to appeal the grievance to arbitration. The arbitration shall be held within **twelve (12)** months of the date the Union notified the Company of its intent to appeal to arbitration or such grievances shall be considered withdrawn and resolved without prejudice or precedent. These dates may be extended by mutual agreement.
- (b) During any period when the permanent arbitrator is unavailable or when mutual agreement has not been reached on a permanent arbitrator, arbitration cases shall be heard by temporary arbitrators selected in accordance with the following procedure.
 - (1) The American Arbitration Association shall provide, upon receipt of the Union's written Notice of Request for Arbitration, the names of five (5) candidates. The Union shall make such request consistent with the time elements defined in Article 5, Section 12(a).
 - (2) If the Company and the Union cannot agree upon the selection of any of these five (5) candidates as arbitrator within ten (10) days from the date the names are submitted by the American Arbitration Association, each party shall alternately have the privilege of rejecting one (1) of the names until there is one candidate remaining and the remaining candidate shall be the arbitrator.
- (c) Neither Party shall be called upon to submit to arbitration unless the foregoing procedure for the appointment of an arbitrator has been followed.
- (d) The arbitrator is not empowered to hear any grievance which has not been the subject of written notice as provided above unless both parties agree to the submission of such grievance.
- (e) The power of the arbitrator stems from this Agreement, and the arbitrator's function is to interpret and apply this Agreement and any other agreement which the parties may enter into supplemental thereto. The arbitrator shall have no power to add to, or subtract from or modify, any of the terms of this Agreement or any of the terms of any agreement which may be supplemental thereto, except as such power may be conferred upon the arbitrator by any of the provisions of this agreement.

The decision of the arbitrator shall be final and binding upon the Company, the Union and the employees.

- (f) The Company and the Union shall bear equally the cost, fees and expenses incidental to proceedings before the arbitrator.
- (g) Except in grievances being discussed during Expedited Arbitration, the procedure for hearing disputes referred to the arbitrator shall be left to the discretion of the arbitrator after consultation with the Parties.
- (h) In discipline and discharge cases, the Parties explicitly authorize the arbitrator to consider the statutory discrimination issues that are, or could be, the subject of an unfair labor practice charge under the National Labor Relations Act. The arbitrator is directed by the Parties to identify each statutory issue and explain why the facts presented either do or do not support the unfair labor practice allegation.

SECTION 13

- (a) The Company shall pay the President of the Local Union or the Vice President in the absence of the President for time spent in attendance at meetings with Company representatives (excluding meetings with supervisors) or arbitration proceedings. Such payment shall be at the regular paid rate.
- (b) The Company shall pay an employee on the active payroll for time required to testify at arbitration proceedings. Such employees shall be paid their regular paid rate.

SECTION 14

The foregoing provisions shall not deprive any employee or employees of the employee's rights under Section 9 (a) of the National Labor Relations Act.

SECTION 15

The Parties will continue to meet from time to time to discuss matters of mutual interest.

SECTION 16

The Company will make every effort to pay settlements for settled grievances when all information has been properly verified, not later than the second pay period following receipt of the information. A copy of the letter authorizing payment will be given to the Local Union.

ARTICLE 6 - SENIORITY

SECTION 17

- (a) The first ninety (90) work days of continuous employment shall be a probationary period during which time an employee may be terminated without recourse. There shall be no obligation on the part of the Company to recall a probationary employee laid off because of a reduction in force. The seniority of employees retained by the Company beyond the probationary period shall date from the date of hire. If a probationary employee is not making satisfactory progress during his probationary period and faces the risk of release, the appropriate Local Union representative will be notified by the Company so that he may provide to the probationary employee whatever counseling may be necessary or appropriate. In the event a probationary employee is released, prior to obtaining seniority, the Company shall promptly notify the appropriate Local Union representative.
- (b) Days on which an employee is absent shall not be counted in accumulating the ninety (90) work days referred to above. However, when an employee has completed ninety (90) work days, the seniority date shall be the employee's date of hire. An employee's ninety (90) work days must be accumulated within a period of one (1) year following the date of hire.
- (c) If an employee is terminated due to a reduction in force during the probationary period and is subsequently rehired by the Company within a one (1) year period following the original date of hire, such employee may acquire seniority by working a number of days which, when added to the number of days worked in such employee's prior period of employment, will equal ninety (90). In such case, the employee's seniority date shall be established by counting back ninety (90) work days beginning with the day on which such employee completed ninety (90) days of work.
- (d) The seniority order of employees hired after the effective date of this Agreement who commence work on the same date shall be determined by using the last four digits of each employee's social security number (i.e., the employee with the lower number shall be deemed to have the greater seniority).
- (e) In the event of a transfer of employees with the same seniority date from one facility of the Company to another, the relative order of seniority established at the facility from which they transferred shall be preserved. Employees who are already at the facility to which such jobs are transferred who have the same seniority as the transferred employees, shall be deemed to have the greater seniority. Employees who transfer in from different facilities, at the same time, with the same seniority date, shall have their relative seniority order established in accordance with paragraph (d) above. Employees who transfer from other Company facilities on the same date shall have greater seniority than new hires, if their respective date of transfer and date of hire are the same.
- (f) Seniority shall continue to accumulate during periods of layoff up to the maximum period of layoff provided in Section 18 below.

- (g) For the purposes of layoff, recall or the filling of vacancies, a new employee must complete ninety (90) work days of active employment in any one year, even though not consecutive.
- (h) An employee who has accumulated less than ninety (90) work days in one year, shall be deemed to possess no seniority rights for any purpose. If such employee is rehired or retained in the Company's employ after such year, the employee shall be required to accumulate active employment without reference to the prior employment, in order to attain seniority status. A new year for the purposes of acquiring complete seniority under this Section, shall commence with the date of rehire.

SECTION 18 LOSS OF SENIORITY

Seniority shall be lost for any of the following reasons:

- (a) Voluntary resignation.
- (b) Discharge for just cause.
- (c) If an employee has been laid off or notified not to report to work on a particular day and fails to return to work within five (5) working days after proper notification has been delivered to the employee, unless a reasonable excuse can be furnished. Notification shall be in writing delivered to the employee in person or sent to the employee by registered mail, return receipt requested or by certified mail. The Company shall be entitled to rely upon the address shown in the records of its personnel office. If an employee is unavailable for such delivery at such address, such employee shall notify the Company in writing of the reason for such unavailability and notify the Company of the date on which the employee will be available for such delivery. Proper reason for non-availability shall constitute a reasonable excuse for failure to report. The Company will acknowledge in writing to the employee receipt of such information.
- (d) If the employee is absent for five (5) consecutive working days without satisfactory cause.
- (e) If, having satisfactory cause, the employee is absent for five (5) consecutive working days without giving notice to the Company's personnel office of the reason for such absence. No employee shall lose seniority for failure to give such notice if the employee submits a reasonable excuse for such failure. The employee shall receive written acknowledgment of the notice required by this Section.
- (f) (1) Retirement in accordance with the Pension Agreement, except for employees receiving permanent and total disability benefits.
(2) Acceptance of severance payments under the Supplemental Unemployment Benefits Plan and Severance Pay Plan.

- (g) In the case of an employee with seniority who has been employed six (6) months or less if the employee has been laid off twelve (12) consecutive months.
- (h) In the case of an employee who has been employed more than six (6) months but not more than two (2) years if the employee has been laid off for twenty-four (24) consecutive months.
- (i) In the case of an employee who has been employed more than two (2) years if the employee has been laid off for a period equal to such employee's seniority upon the date of such layoff.
- (j) The acceptance and placement of an employee into a supervisory or non-bargaining unit position at a facility covered by the Master Agreement.
- (k) Upon the conclusion of their accumulation of seniority period as specified in Article 10, Section 23, paragraph (b), sub-paragraphs (1), (2), or (3), employees who are continuously absent thereafter due to a non-work related or work-related injury or illness and who fails to demonstrate their current medical and work status in writing to their facility's Labor Relations Office on an annual basis during the calendar month in which they first became absent, shall lose their seniority.

The company will provide the employee a letter notifying them of their obligation to annually report their non-work related or work related injury or illness when the employee begins LTD. In order to maintain the employee-employer relationship the company will notify the employee and the local union in writing prior to the loss of their seniority. It is the responsibility of the employee to maintain accurate and updated information in the respective employer's personnel file. This includes, but is not limited to, name, address, phone numbers, etc.

SECTION 19

Notice of loss of seniority will be given to the Local Union and to the employee involved at the employee's last known address, in writing, immediately upon an entry to that effect being made in the personnel records of the Company. The notice to the Local Union will include the employee's telephone number unless designated as an unlisted number, badge number, certified mail number and last address of record.

SECTION 20

Seniority lists shall be prepared and furnished to each member of the Local Union Committee and four (4) additional copies to the Local Union who shall make them available for the inspection of employees and other Local Union Officials. Seniority lists shall be revised quarterly by the Company and shall be so arranged that the employee with the highest seniority shall be first on the list and the employee with the lowest seniority shall be the last. The Local Union will receive quarterly a seniority list showing employees laid off. In the event of special elections, the Company will provide a

seniority list for the use of the election committee when sufficient advance notice is received from the Local Union.

SECTION 21 MASTER RECALL LIST

A Master Recall List will be maintained to provide employment opportunities for eligible employees from any of the bargaining units covered by the respective Local Supplemental Agreements who are on involuntary layoff for any reason, and for eligible employees affected by a facility closing or partial closing.

(a) Eligibility for Inclusion on the Master Recall List:

- (1) Employees having established seniority (as defined in this Article) who have been laid off involuntarily **for six (6) consecutive months** from a bargaining unit covered by the respective Local Supplemental Agreements. **Laid-off employees are eligible for immediate placement on the Master Recall List for other bargaining units within their home work site.**
- (2) Employees having established seniority and who are placed on layoff due to a facility closing after the effective date of this Agreement.
- (3) Employees having established seniority and who are placed on layoff as a direct result of a partial facility closing (excluding layoff in lieu of transfer) after the effective date of this Agreement. A partial facility closing is defined as, the elimination of work as a direct result of a single event of the sale, transfer, or permanent discontinuance of a product line or business segment which will cause a permanent reduction in force of the lesser of twenty percent (20%) or one hundred and fifty (150) employees in the bargaining unit then on the active payroll, or an aggregate reduction of 30 percent or more from the active bargaining unit payroll as of the effective date of this Agreement resulting from a series of events as described above.

(b) Each eligible employee at the time of their joint layoff processing meeting will be required to indicate his desire, in writing, on forms provided by the Company to be included on the Master Recall List. Such employee's failure to indicate his participation on the Master Recall List at such time will result in the retention of his recall rights to only the facility and Unit from which he was laid off.

(c) Placement of employees from the Master Recall List will be accomplished in the following manner:

- (1) When an employee becomes eligible to be placed on the Master Recall List, the employee will be given a skills inventory form to be filled out by the employee to identify their qualifications in order to be considered for placement:

- (i) An employee who designates “at any locations” on the Master Recall List will be requested in line of seniority to report to the first open job that meets his qualifications. Failure to accept that job removes such employee from the entire Master Recall List.
- (ii) An employee who elects to be on the Master Recall List will have the option to sign up for up to three specific existing locations other than his home facility. If an employee is offered a transfer to one of the three selected and existing locations and refuses the transfer, such employee will be removed from the Master Recall List for that specific location. Such employee will remain on the list for the two remaining and existing locations. (e.g., the employee cannot select a facility that no longer exists, such as Atlanta PDC).
- (iii) Employees, if desired, will have the responsibility to change their designated locations in writing every year during the month of October to be effective November 1st. Employees wishing to change their location selections can only change the number of locations which are currently on file. Example: Baltimore Warehouse, Hagerstown Shop and Jacksonville PDC were selected and on file in the prior year. The employee in March refused Jacksonville PDC. The employee during the next October re-selection month can pick only one or two different locations. No employee may be permitted to re-select a location to which he had previously refused a job offer.
- (iv) An employee will have five (5) days after notification of a job opening to accept or reject the offer. Notification is defined as a phone call/phone message and a letter's postmarked date. In the absence of an acceptance or rejection from the employee within the five (5) days after notification, the employee shall be deemed to have rejected the job offer. When an employee accepts a transfer he or she will have up to ten (10) days to report to the facility in the case of an employee whose residence is less than 65 miles from the recalled facility, or will have up to twelve (12) days to report if the employee's residence is 65 miles or more from the recalled facility. In either case, such reporting date may be adjusted by mutual agreement of the Company and the employee due to unusual personal circumstances but in no event later than fifteen (15) days from the acceptance date. An employee who accepts the job opening but who fails to report to the new facility within the prescribed reporting period shall incur a break in seniority pursuant to Article 6, Section 18 (c) unless the employee is held at a facility as described in section (f), (2) below or is unable to report due to an Act of God, personal medical emergency or other condition beyond the control of the employee.
- (v)
 - (a) If more than one employee from the same facility transfers to the same new facility with the same hire date, the natural order of seniority from their home facility will stay intact, according to Article 6.

- (b) If more than one employee from different locations transfers to the same facility with the same hire date, the order of seniority will be determined by Article 6 of the Master Agreement.
 - (c) When an employee transfers into a facility with the same hire date as an employee that is already at the facility, employees from the home facility shall have the greater seniority, according to Article 6.
 - (2) The determination of qualifications in (1) (i) and (1) (ii) above shall include consideration of all prior work experience, demonstrated skill, ability, and other normal hiring standards. Employees applying for a position in another location must meet the criteria set forth at that specific location. Pre-employment tests shall not be required.
 - (3) The most senior qualified employee on the Master Recall List will be offered placement on an open job at a Company operation after all qualified employees at that operation have been recalled from layoff.
 - (4) Once an employee who is on the Master Recall List, as a result of a facility or Partial Facility Closing, has been placed at a Company operation on an open job, the employee will carry his/her previous bargaining unit seniority to the new bargaining unit. The employee's recall and seniority rights at the home operation will be terminated.
 - (5) Once an employee who is on the Master Recall List as a result of being eligible by the terms of (a) (1) above, has been placed at a Company operation on an open job, the employee will take day one seniority in the new bargaining unit and will retain recall rights to his/her prior bargaining unit. However, the employee may elect in writing to waive recall rights and to relinquish their seniority in their former unit at any time following his Master Recall List placement. In such case

the employee will have his seniority established in the new unit. Such employee's former unit seniority will be applied at the new unit for the purposes of vacation entitlement and all applicable Master Agreement entitlements.
 - (6) An employee who is on the Master Recall List as a result of a facility or Partial Facility Closing and who has been transferred to a new unit based on the procedures in (c) (4) above will be eligible for relocation allowance in Appendix D.
- (d) Employees will be removed from the Master Recall List as follows:
- (1) When an employee receives a job placement at a UAW operation as a result of the above procedures or is recalled to his/her home bargaining unit.

- (2) If an employee refuses a job offer that resulted from the implementation of the procedures in the Master Recall List, the employee will retain his seniority rights in the bargaining unit from which he was placed on layoff status.
 - (3) If an employee accepts a job offer that resulted from the implementation of the procedures in the Master Recall List and does not report to the facility on the date agreed upon between the employee and the Company (exceptions will be made for situations beyond the control of the employee).
- (e) The Company may utilize qualified employees from the Master Recall list to fill temporary vacancies of two (2) to twenty-six (26) weeks continuous duration following notification and discussion with the Local Union. Such temporary employment will be subject to the following:
- (1) An offer to fill a temporary position will be made to qualified employees.
 - (2) An employee accepting a temporary position will retain his/her position on the Master Recall List and all recall rights to their home facility and will maintain eligibility for permanent positions through Master Recall while filling the temporary position.
 - (3) A qualified employee who is notified of a temporary job opening shall have two (2) business days thereafter to accept or reject the offer. The employee accepting the offer shall have five (5) working days to report to the new facility. An employee who rejects the offer shall remain on the Master Recall List. An employee who accepts a temporary job and who fails to report for such work on the date agreed upon will be removed from the Master Recall List unless the failure to report was due to conditions or circumstances beyond the control of the employee.
 - (4) A temporary employee shall not have any rights to exercise his/her seniority in the bargaining unit at the temporary location. Such employee shall not be permitted to bid, bump or otherwise transfer to another job or shift within the bargaining unit. The temporary employee must remain in the position in which he was placed until released or at the conclusion of six (6) months, whichever occurs first. Should the temporary vacancy exceed six (6) months, the Company may retain the temporary employee for an additional period as mutually agreed upon. A temporary employee who is laid off will be entitled to the benefits provided to laid off employees under the applicable Appendices of the Master Agreement.
 - (5) A temporary employee shall be paid the wage of the temporary job at the wage progression level the employee had attained at the time of his/her layoff from their last facility. Such temporary employee will be entitled to all of the benefits, terms and conditions of the Mack Master Agreement except for those excluded in this temporary employment section.

- (6) In the event that the temporary employee fails to meet an acceptable level of work performance such employee may be released and laid off from the temporary assignment.
- (7) A temporary employee can schedule and observe earned vacation or other leaves of absences in accordance with the Unit's Local Supplemental Agreement, subject to the Company's staffing requirements and other departmental absences. Should the temporary employee's vacation or leave request create a department hardship, the Company may release the employee from his assignment.
- (8) Temporary employees shall not be entitled to a relocation allowance under Appendix D.
- (9) The provisions of Article 6, Section 21 (f), (1) and (2) shall be applicable to this Section 21 (e).

(f) General

- (1) The Company will not entertain any grievances on back-pay liability as a result of the implementation of the provisions of the Master Recall List. If an employee identifies an error in placement, the Company will correct it in the next available job opening to be filled through the Master Recall List.
- (2) Recognizing the potential delay inherent in the transfer and relocation of employees between operations, and the critical time requirements of production schedule increases, the Company retains the right to hold, for a period up to thirty-five (35) calendar days, an employee who is working at a facility due to an assignment resulting from this Section 21 and who is recalled to his home facility. Such holding period shall commence from the date recalled to the home facility. The Company may temporarily fill job openings at the receiving and/or departing UAW location created by the recall by temporarily recalling MRL employees or assigning employees currently employed at the receiving and/or departing location. This temporary assignment of such employees will be made without regard to the provisions of the Local Supplemental Agreement on Seniority. In no case will a grievance be entertained by the Company as a result of this temporary assignment. The appropriate wage payment provisions in the relevant Local Supplemental Agreement will apply to such temporary assignments.
- (3) The Company will provide an electronic copy of the current Master Recall List to the UAW – Mack Trucks Department and to the Chairman and President of the respective bargaining units covered under the Local Supplemental Agreements on a monthly basis.

SECTION 22

Additional provisions regarding Seniority may be found in the respective Local Supplemental Agreements.

ARTICLE 7 - LAYOFF AND RECALL

The total duration of an employee's voluntary layoff during one layoff event shall not exceed the duration of their weekly SUB benefit entitlement as defined in Appendix C, Article III (a) of the Master Agreement. A layoff event is defined as the period of time between the first layoff of an employee during a reduction in force and the recall of the last employee from such reduction.

Additional Layoff and Recall provisions are contained in the respective Local Supplemental Agreements.

ARTICLE 8 - POSTING NEW JOBS OR VACANCIES

Job placement provisions are contained in the respective Local Supplemental Agreements.

ARTICLE 9 - TRANSFER OF SHIFT

Transfer of shift provisions are contained in the respective Local Supplemental Agreements.

ARTICLE 10 - LEAVES OF ABSENCE

SECTION 23 SICK LEAVE

- (a) An employee who shall become incapacitated by occupational injury or illness, and whose claim of injury or illness is supported by evidence satisfactory to the Company physician, shall be granted sick leave during continuing disability, without loss of, or interruption of, seniority.
- (b) An employee who shall become incapacitated by non-occupational injury or illness, and whose claim of injury or illness is supported by evidence satisfactory to the Company physician, shall be granted a sick leave during the employee's continuing disability, provided, however, that such leaves shall be subject to the following conditions relating to accumulation of seniority, and further provided that no employee shall lose seniority because of continuing disability exceeding the period the employee's seniority is permitted to accumulate under subsection (1), (2) and (3) below:

- (1) A seniority employee with less than one (1) year of seniority shall continue to accumulate seniority during sick leave for a period of one (1) year, at the end of this period such accumulation shall cease.
 - (2) An employee with one (1) but less than two (2) years' seniority shall continue to accumulate seniority during sick leave for a period of two (2) years, at the end of this period such accumulation shall cease.
 - (3) An employee with two (2) or more years' seniority shall continue to accumulate seniority during sick leave for a period equal to the length of the employee's seniority upon the date the leave commences, at the end of this period such accumulation shall cease.
 - (4) An employee returning to work after a period of disability in excess of that provided in subsections (1), (2) and (3) above, shall return with the seniority accumulated as set forth above and shall have their seniority date adjusted accordingly.
- (c) In the event a Company physician has conducted an examination of an employee and upon request from the employee, the Company physician will furnish to the employee's physician a copy of the Company physician's report with reference to the physician's examination of the employee applying for sick leave.
- (d) When an injured or sick employee is sent home from work, the Company shall notify the appropriate Local Union representative as soon as possible, but in any event within twenty-four (24) hours.
- (e) When employees are hurt in the course of their work and must lose time from work to visit the Company doctor or first aid, their regular rate will be paid for lost time going to and coming from the doctor's or first aid office. In the event that the medical professional sends the employee home, such employee shall be paid for the balance of the shift at their regular rate.
- (f) Any employee who has been incapacitated at such employee's regular work by sickness or injury may be employed by the Company at other work in the facility which is available and which the employee is able to do, and every reasonable effort shall be made by the Company to find such employment for the employee. In the event of any layoff, such employee may be retained regardless of seniority and shall be exempt from the seniority provisions of this Agreement in that respect. The Company will notify the Union in case it retains any employee in accordance with the provisions of this subsection out of line of seniority, and the propriety of such retention may be questioned by the Union. The incapacity referred to herein must be such as to substantially prejudice the employee's opportunity of securing other employment. In connection with discussions regarding this Section, it was agreed that employees who suffer the loss, or the loss of the use of, an eye, limb, three fingers or thumb as the result of an injury incurred while at work, shall have

preferential seniority rights over all other employees within their bargaining unit, except union officers, as long as there is work to be performed that they can perform.

SECTION 24 PAID SICK LEAVE FOR SALARIED EMPLOYEES

- (a) Salaried employees (as designated in the respective Local Supplemental Agreements) who are absent from work due to sickness or injury shall be eligible for the following benefits during each calendar year of the Agreement, beginning January 1, 2013:

Seniority	Incidental/ Sick Injury Days	Maximum Number of Weeks* for Which Salary Continuation Will be Paid
Less than 2 months	0	None
2 months but less than 1 yr.	2	2
1 year but less than 2 yrs.	4	4
2 years but less than 10 yrs.	6	9
10 years but less than 20 yrs.	8	1 week/yr. of service
20 years and over	10	1 week/yr. of service

*Up to a maximum of 26 weeks of salary continuation will be paid per calendar year.

Eligibility shall be effective on the employee's employment anniversary date.

- (b) The above paid sick leave allowance, which shall be a combined total of the incidental day entitlement plus the salary continuation entitlement, shall be applicable to successive one (1) year periods commencing January 1 and terminating December 31. The allowance shall not be accumulated from year to year. During such one (1) year period, all absences due to illness, including sick leave and incidental illness, shall be charged against the aforesaid paid sick leave allowance.
- (c) An employee who is scheduled to work, or has volunteered to work, any hours of daily or weekend overtime or a Holiday, and is subsequently unable to work due to sickness/injury, will not be eligible for paid sick leave to cover such missed time.
- (d) An employee who leaves work during his shift due to sickness/injury will be required to use an entire incidental sick/injury day should the employee leave work within the first four (4.0) hours of his shift. An employee who leaves work during his shift due to sickness/injury after the first four (4.0) hours of his shift will be ineligible for paid sick leave.

- (e) After returning to work, an employee shall, during the year such employee returned to work, only be entitled to the remainder of any paid sick leave to which said employee is entitled under this Agreement.
- (f) In the event the illness or injury of an employee receiving paid sick leave is continuous and extends beyond December 31 in any year, only that portion of the paid sick leave to which such employee was eligible at the date of the commencement of such illness or injury shall be paid. Such employee must return to work for ten (10) full work days in order to re-qualify for the paid sick leave allowance for the subsequent year.
- (g) An employee who continues to be absent after exhausting his paid sick leave allowance may apply for Accident and Sickness (A&S) benefits as provided in Appendix B of the Master Agreement. Such employee's A&S eligibility as provided in Appendix B, Article II, Section 4 shall be reduced by the amount of time for which the employee has already been paid a sick leave allowance.
- (h) In the case of absences due to illness of five (5) or more consecutive work days, employees shall present satisfactory evidence of bona fide illness or injury in order to receive paid sick leave.

An employee will not be required to furnish medical evidence to substantiate absences due to illness of periods of less than five (5) consecutive work days if such employee's absences during the one (1) year period specified above are not in excess of the incidental allowance, except in instances where there is cause to suspect abuse such as falsification of the reported reason for absence or failure to report such absence.

- (i) It is the intent of the Parties that such paid absences are only for the purpose of bona fide illness and consequently the Company shall not be precluded from taking appropriate action including request for verification, denial of pay, and/or disciplinary action where such abuses are deemed to exist.

In the event the Union disagrees with the Company's determination and/or action, the dispute may be subject to the regular grievance procedure.

The Union agrees to co-operate and promote the elimination of abuses of incidental "sick" days.

- (j) The granting of a paid sick leave by the Company under no circumstances is intended to imply paid equivalent leave of absence or payment of salary where the employee has not been absent on account of sickness or illness.
- (k) Salary continuation can only be used in one week increments (i.e. five (5) or more continuous days) and cannot be used as individual sick days.

SECTION 25 PERSONAL LEAVE OF ABSENCE

- (a) Upon two (2) weeks' written notice on a form provided by the Company, leaves of absence not to exceed two (2) weeks shall be granted, without loss of seniority, to employees who have less than seven (7) years of seniority with the Company. Such leaves of absence, not to exceed four (4) weeks, shall be granted to employees having seven (7) years or more of seniority with the Company. Personal leave of absence will be granted only under the following conditions:
- (1) All vacation time off **in excess of forty (40) hours** has been exhausted, and
 - (2) Provided that the manning does not fall below, for whatever reason, the minimum manning established for vacation purposes or,
 - (3) By mutual agreement. The requirement of two (2) weeks written notice shall not apply in cases of emergency.
- (b) Leaves of absence may be extended by mutual agreement between the Company and the Union and in such cases seniority shall continue to accumulate.
- (c) If, in the opinion of the Company, the granting of such leaves at the time requested would seriously interfere with the Company's operations, the Company may bring such facts to the attention of the Union and such leaves may be postponed by mutual agreement between the Company and the Union. In no case may an employee utilize a leave of absence for a period for which vacation has been requested and denied.
- (d) The leave of absence application form shall contain a space for indicating the reason for the requested leave, and employees shall be required to state such reason on the form.
- (e) Employees recalled to work shall not be eligible for a leave of absence for a period of two (2) weeks from the time of their return except by mutual agreement between the Company and the Union. In cases where such leave is granted by mutual agreement, the period of leave shall not be considered as time worked for any purpose other than retention of seniority.
- (f) The allowances for personal leaves of absence under this Article shall refer to periods terminating on January 1 of each year of this contract.

SECTION 26 UNION AND ELECTIVE OFFICE LEAVE

- (a) Upon application, the Company will grant a leave of absence to such of its employees who are elected or appointed to office in the International Union or the Local Union, or who are elected or appointed, without regard to geographical location, to a municipal, state or federal office, provided the Company is furnished with written certification of such appointment to a municipal, state or federal office, for a period of one (1) year without loss of seniority. Such leaves of absence may be renewed from year to year with seniority accumulating. Upon the expiration of such leave of absence, the employee on such leave of absence under this Section shall be returned to the employee's job in line with the employee's seniority and shall receive the rate of pay prevailing for that job. The renewal will not be necessary for elected or appointed offices of the International Union with the understanding that the Union will notify the Company, to the extent possible, thirty (30) days in advance of the expiration of such leave(s).
- (b) Employees who are elected, selected or volunteer to serve on a Local Union Committee, Sub-Committee, or in any other capacity, other than the elected representational offices provided by Article 3 of the Local Supplemental Agreements, may be granted reasonable time off from work (a partial or full workday) without pay to perform those duties provided such duties can only be performed during the employee's regularly scheduled working hours and the Local Union President provides written notice to the Labor Relations Department (or facility Manager in the absence of any local Labor Relations department) of such duties as far in advance as possible of the requested absence.

SECTION 27 FAMILY AND MEDICAL LEAVE

- (a) The Family and Medical Leave Act (FMLA) entitles eligible employees to up to twelve (12) weeks of unpaid leave per year if they have one (1) year of Company service and have worked at least 1,250 hours during the twelve (12) month period immediately preceding the leave. The leave shall be granted for the following purposes:
 - (1) To care for the employee's child after birth or placement of a child with the employee for adoption or foster care.
 - (2) To care for the employee's spouse, child or parent who has a serious health condition.
 - (3) For a serious health condition that makes the employee unable to perform the essential functions of his position.
- (b) Employees must provide at least thirty (30) days advance notice in writing when the leave is anticipated. If the leave is not anticipated, the employee must give notice in writing as soon as practical.
- (c) Benefits:

- (1) Company-provided Group Life Insurance and Health Benefits shall be continued under the same conditions as though the employee was actively at work.
- (2) A husband and wife who are both employed by the Company shall each be allowed to take up to twelve (12) weeks of FMLA leave to care for the other if seriously ill and unable to work, to care for a child or parent with a serious health condition or for his or her own illness. The couple shall be limited to a combined total of twelve (12) weeks if the leave is taken for the birth, adoption or the placement of a child in foster care.
- (3) Company-provided sick leave (short or long-term) shall be integrated with the FMLA leave up to a maximum of six (6) weeks during each contract year period.
 - (i) A sick day must be designated as A&S leave in order for FMLA to be charged.
 - (ii) An employee is not considered to be on A&S leave if they do not meet the eligibility criteria for a paid benefit prescribed in Appendix B of the 2019 Mack Master Agreement.

(d) General FMLA Provisions:

- (1) Employees shall continue to accumulate seniority while on an FMLA leave as provided for in the Collective Bargaining Agreement.
- (2) Employees may elect to use accrued and/or unused vacation during the FMLA leave.

SECTION 28 MARYLAND HEALTHY WORKING FAMILIES ACT

This section is only applicable to those facilities located in the state of Maryland and covered under this Agreement.

A. Hourly Employees

Up to forty (40) hours of vacation may be used for all purposes set forth and in accordance with the Maryland Healthy Working Families Act. Notwithstanding any provision to the contrary in this Agreement or in the Local Supplemental Agreements, any newly hired employee shall, in the year of hire, be immediately credited with paid time off (as set forth below), which may only be used for the purposes set forth in, and in accordance with, the Maryland Healthy Working Families Act. Employees hired prior to September 1 shall be credited with forty (40) hours. Employees hired thereafter shall be credited with eight (8) hours for each

month left in the year. [For example, an employee hired in September will be credited with thirty-two (32) hours.] Unused hours may not be carried over to the following calendar year. However, in the immediately following calendar year, the employee shall be credited with forty (40) hours of paid time off, which shall include all paid vacation hours to which the employee is entitled for that year. Any paid time off in excess of the employee's earned vacation hours may only be used for the purposes set forth in, and in accordance with, the Maryland Healthy Working Families Act. Unused hours may not be carried over to the following calendar year.

B. Salaried Employees

To the extent a salaried employee's incidental and vacation allowance does not meet the requirements of the Maryland Healthy Working Families Act, he shall be granted additional paid days for the purposes set forth in, and in accordance with, the Maryland Healthy Working Families Act. Unused hours may not be carried over to the following calendar year.

C. Vacation Shutdown

An employee who has forty (40) hours or less of vacation and incidental paid sick leave may, at his discretion, retain up to forty (40) hours of paid time off for use solely in accordance with, the Maryland Healthy Working Families Act by notifying the Company in writing of such intent at least fourteen (14) calendar days prior to the scheduled shutdown. Any employee who accepts vacation pay will be deemed to have waived this right and to have utilized all such paid time off that might otherwise be used for the purposes set forth in the Maryland Healthy Working Families Act. In administering this provision, the Company will fully comply with all state and federal laws.

D. The Company will comply with the Maryland Healthy Working Families Act. In the event that a situation arises where an employee requests, and is entitled to use, paid time off pursuant to the Maryland Healthy Working Families Act, such time off will be granted without penalty, notwithstanding any contrary provision in this Agreement.

SECTION 29 GENERAL PROVISIONS FOR ALL FORMS OF LEAVE

- (a) At the time an employee applies for a leave of absence, such employee states that the reason for such leave is to engage in gainful employment elsewhere, such leave of absence shall be denied. If an employee engages in gainful employment while on any leave of absence from the Company, such employee

may be subject to discharge in accordance with the provisions of this Agreement. The leave of absence application form shall contain a statement to the above effect. The gainful employment prohibited under this subsection shall not include employment in the offices referred to in Section 26 of this Article. Moreover, an employee on sick leave who engages in outside part-time or light employment shall not be subject to the restriction against outside gainful employment provided that the employee furnishes proof to the Company no later than one (1) week after commencing such outside employment that such outside employment is recommended by the employee's physician as a substitute for full time or regular work, and provided further that the Company cannot provide such employee with light employment as recommended by such physician. The recommendation of the employee's physician may, at the Company's option, be subject to the approval of the Company's physician.

- (b) An employee who does not return from a leave of absence upon the expiration thereof, except in cases of employees whose leaves of absence are renewed or extended in accordance with the provisions of this Article, shall be in the same position as an employee who has been absent from work for five (5) consecutive days without satisfactory cause under the provisions of Article 6, Section 18 (d) and (e) hereof.
- (c) Written notice of the terms of the leave of absence of an individual employee will be given to the employee and the Local Union.
- (d) An employee returning from any leave of absence shall be returned to the job such employee left in accordance with local practice. If seniority does not permit a return to the job vacated, such employee shall be permitted to exercise seniority in accordance with the provisions of Article 7 of the appropriate Local Supplemental Agreement. If the employee has become incapable of performing the job the employee left, such employee shall be placed on an open and available job which such employee is capable of performing, or in the absence of such job, the job such employee shall be entitled to, if any, shall be determined in accordance with local practice, or, if there is no practice, by mutual agreement.

SECTION 30

Additional administrative provisions and Local application may be found in the respective Local Supplemental Agreements.

ARTICLE 11 - MILITARY PROVISIONS

SECTION 31 MILITARY LEAVES OF ABSENCE

- (a) An employee voluntarily enlisting in the military services of the country conscripted to perform military duties in the services of the country, or being a member of the National Guard or the Organized Reserve shall retain seniority and accumulate

seniority during such service and shall be reinstated in the employee's regular position in the seniority list at the expiration of the term of service provided the employee is qualified and able to do available work in line with the employee's seniority and makes application for reinstatement within ninety (90) days after release from service, or, if the employee is disabled at the expiration of the employee's term of service, within ninety (90) days after the termination of the disability, and provided further that the employee furnishes a certificate of satisfactory completion of service unless an exception to this requirement is made by mutual agreement between the parties hereto.

If the parties fail to agree on making such an exception, the question of whether the Company is unreasonable in refusing to make an exception may be submitted to the arbitrator selected in the usual manner. In considering the reasonableness or unreasonableness of the Company's position, the arbitrator shall consider all the facts and circumstances, including the following reasons for failure to receive a certificate of satisfactory completion of military service and the effect of such reasons upon the employee's employment qualifications; mutual recognition by the parties that a person who committed an offense may have been rehabilitated and that such person should not be deprived of an opportunity for gainful employment; the impact upon operations and morale; and security regulations.

- (b) An employee who enters military service while in a laid off status shall be entitled to remain on military leave of absence until reinstatement on the seniority list in accordance with the provisions of (a) above, without regard to whether recall rights would have expired during the employee's military service. Although not required by law or this Agreement, employees covered by this Subsection are expected to notify the Company at the time of their entrance into military service.
- (c) An employee who returns to work under the provisions of this Section shall have the right to exercise seniority in any new classification created during such absence provided such employee's seniority is greater than the seniority of the employee displaced and such employee is qualified to perform the job.
- (d) If an employee covered by (a) and (b) returns to the employee's former job, such employee shall receive the rate of pay the employee would have received had such employee remained in such job, including all progression and general increases. If such employee returns to a different job, such employee's rate shall be determined as though the employee has returned to such employee's former job and had been immediately transferred to the job in which the employee is placed in accordance with the provisions of this Agreement, including all progression and general increases.

SECTION 32 MILITARY BONUS

Upon the first occasion of terminating active employment to enter military service, the Company will grant a bonus of two (2) weeks pay computed on the basis of average

hourly earnings for the preceding four (4) weeks to an employee who has at least one (1) year seniority, and shall grant a bonus of one (1) week's pay computed in the same manner to employees having more than six (6) months but less than one (1) year seniority. The provisions of this Section shall not apply in the following instances:

- (a) When an employee is called to "active duty for training" under the Armed Forces Reserve Act of 1952, as amended.
- (b) When an employee, being a member of the National Guard or the Organized Reserve, is ordered to active duty at a time other than a period of national emergency.

SECTION 33 VACATION PAY

- (a) Upon termination of active employment to enter military service, an employee covered by Section 30 (a) and (b) of this Article, shall receive, in addition to any payment provided for in Section 31 above, proportionate vacation pay for time worked from the start of the vacation credit year to the date such employee ceases work in accordance with the provisions of Article 15.
- (b) An employee covered by Section 30 (a) and (b) of this Article returning to active employment from military service in accordance with the provisions of this Article shall, on the date upon which the vacation take year commences, be eligible to receive proportionate vacation pay for time worked from the date of the employee's return to active employment to the date upon which the vacation take year commences in accordance with the provisions of Article 15.

SECTION 34 NATIONAL GUARD OR ORGANIZED RESERVE SERVICE PAY

With respect to all employees, the Company will pay such employee the difference between National Guard or Organized Reserve Duty Pay. The amount of National Guard or Organized Reserve Duty Pay shall be determined by the Company on the following basis: The total National Guard or Organized Reserve Duty Pay shall be divided by the actual number of days such employee spends in the National Guard or Organized Reserve. The result thereof shall be multiplied by up to and including fourteen (14) days within a calendar year. Earnings will be computed at base rate plus COLA. Pay will be computed on a basic forty (40) hour week. Such employee must present a statement from the military for pay received for performing such duty to the Human Resources Office in order to secure the adjustment. An employee who takes the two (2) weeks' encampment during the employee's vacation period will only receive normal vacation pay for this period. In the event an employee is required to take encampment during a vacation shutdown, the employee shall be given the opportunity, subject to the provisions of Article 15 of the appropriate Local Supplemental Agreements, to take vacation at another time during the balance of the vacation period and shall receive vacation pay immediately prior to the vacation week or weeks selected. Employees who perform "emergency duty" will be paid for the time involved

but not to exceed a total of thirty (30) days in any calendar year with pay computed as above.

SECTION 35 PEACE CORPS

Sections 30 and 32 of this Article 11 shall also be applicable to employees entering into full-time service with the Peace Corps.

ARTICLE 12 - HOURS OF WORK

SECTION 36

- (a) The normal work week shall consist of forty (40) hours of work.
- (b) It shall be made up of five consecutive days, Monday to Friday inclusive, each week.
- (c) Eight (8) consecutive hours of work each day except for lunch periods shall constitute the normal working day.
- (d) The regularly scheduled work week shall commence Monday morning of each week at the hours specified in the respective Local Supplemental Agreements.
- (e) Specific application of the Hours of Work provision is continued in the respective Local Supplemental Agreements.
- (f) The Local Parties at each facility shall have the right to establish alternate working shifts with mutual agreement. Employees working such shifts shall be subject to all of the entitlements provided by the Master Agreement except if otherwise modified or abridged in a Local Supplemental Agreement.

SECTION 37

- (a) The starting times specified in the Local Supplemental Agreements may be varied by mutual agreement but not otherwise except on account of breakdowns, material shortages, overtime requirements or other good cause. In case a change shall become necessary, the Company and the Union shall attempt to reach agreement on the change. If no agreement is reached, the change shall become effective, but its propriety shall be subject to the grievance procedure.
- (b) In addition to the factors set forth in (a) above, the Company in determining the reasonableness of the change of shift will also consider all the existing circumstances including the provisions of the Master Agreement, and the availability of employees working outside their home spots consistent with operating and production requirements. This Section relating to changes in starting time of a shift shall not restrict the right of the Company to schedule overtime work subject to the provisions of this Agreement.

- (c) In the event the Company violates the provisions of this Section by not attempting to reach agreement on a change of a specified starting time, or by affecting a change which is unreasonable, the maximum remedy shall be payment of an amount equal to overtime premium for any hours worked outside the regular shift hours of the shift affected multiplied by the number of employees actually working such hours. Such payment shall be proportionately divided among the employees adversely affected, or if none are affected or if there is a balance remaining after such proportionate payment, to the employees actually working on the affected shift during the hours outside the regular shift hours. This payment shall be in the nature of a penalty and shall not affect the seniority or recall status of any employees who receive such payment. Such penalty premium shall be in addition to regular overtime premium payments, computed in the usual manner.

ARTICLE 13 - OVERTIME

SECTION 38

Employees' pay shall be computed and paid at one and one-half (1.5) times the regular rate for hours worked in the following cases:

- (a) For work performed in excess of eight (8) hours in any working day, or in excess of eight (8) continuous hours worked, excluding lunch periods.
- (b) For work performed in excess of forty (40) hours in any working week. It shall be understood that no employee shall receive both daily and weekly overtime pay for the same overtime hours.
- (c) For all work performed on Saturday.
- (d) For work performed by an employee prior to the regular starting time of the shift when the employee is requested to report for work prior to such time and is not afforded an opportunity of working until the regular quitting time of the shift.
- (e) For work performed by an employee during the regularly scheduled lunch period for the employee's shift when the employee is requested by the Company to work during such lunch period. An employee so working during the employee's regularly scheduled lunch period shall be entitled to a lunch period after the required work is completed. This sub-paragraph shall not apply to continuous shifts.

The foregoing shall not, however, result in the pyramiding of premium time under this Master Agreement or any Local Supplement.

SECTION 39

Employees shall receive double time for all work performed on Sundays

SECTION 40

Appropriate overtime records shall be maintained by the supervisors and made available for inspection by appropriate Local Union representatives.

SECTION 41

The Company shall give the Local Union notice of weekend overtime requirements by two-thirty (2:30) p.m., Thursday, to the extent possible.

SECTION 42

When the Company calls in a Local Union representative to act as such after that person's regular shift hours, payment shall be on an overtime basis.

SECTION 43

Should an employee miss an overtime turn due to a requirement to serve on active duty with the National Guard or organized reserve, the government regulation providing for the opportunity to make up such missed turn shall be followed upon the request of such employee upon the employee's return to work.

SECTION 44

Additional provisions relating to this Article are contained in the respective Local Supplemental Agreements.

ARTICLE 14 - HOLIDAYS**SECTION 45 HOLIDAY SCHEDULE****2019-2020 (15 Holidays)**

Monday	November 11, 2019	Veterans Day
Thursday	November 28, 2019	Thanksgiving ^{B,J,H}
Friday	November 29, 2019	Thanksgiving ^{B,J,H}
Tuesday	December 24, 2019	Christmas ^{B,J,H}
Wednesday	December 25, 2019	Christmas ^{B,J,H}
Thursday	December 26, 2019	Christmas
Friday	December 27, 2019	Christmas
Monday	December 30, 2019	Christmas
Tuesday	December 31, 2019	Christmas ^{B,J,H}
Wednesday	January 1, 2020	New Year's Day ^{B,J,H}

Monday	January 20, 2020	Martin Luther King, Jr. Day ^B
Friday	April 10, 2020	Good Friday ^B
Monday	May 25, 2020	Memorial Day ^{B,J,H}
Friday	July 3, 2020	Independence Day ^{B,J,H}
Monday	September 7, 2020	Labor Day ^{B,J,H}

Due to customer requirements, **the Baltimore** Part Distribution Center will observe the core holidays indicated with an (B) above, **the Jacksonville Part Distribution Center will observe the core holidays indicated with an (J) above, and the Hagerstown Remanufacturing Operation will observe the core holidays indicated with an (H) above.** The remaining holidays will be observed as floating holidays to be scheduled and observed during the contractual year.

2020-2021 (15 Holidays)

Monday	November 9, 2020	Veterans Day
Thursday	November 26, 2020	Thanksgiving ^{B,J,H}
Friday	November 27, 2020	Thanksgiving ^{B,J,H}
Thursday	December 24, 2020	Christmas ^{B,J,H}
Friday	December 25, 2020	Christmas ^{B,J,H}
Monday	December 28, 2020	Christmas
Tuesday	December 29, 2020	Christmas
Wednesday	December 30, 2020	Christmas
Thursday	December 31, 2020	Christmas ^{B,J,H}
Friday	January 1, 2021	New Year's Day ^{B,J,H}
Monday	January 18, 2021	Martin Luther King, Jr. Day ^B
Friday	April 2, 2021	Good Friday ^B
Monday	May 31, 2021	Memorial Day ^{B,J,H}
Monday	July 5, 2021	Independence Day ^{B,J,H}
Monday	September 6, 2021	Labor Day ^{B,J,H}

Due to customer requirements, **the Baltimore** Part Distribution Center will observe the core holidays indicated with an (B) above, **the Jacksonville Part Distribution Center will observe the core holidays indicated with an (J) above, and the Hagerstown Remanufacturing Operation will observe the core holidays indicated with an (H) above.** The remaining holidays will be observed as floating holidays to be scheduled and observed during the contractual year.

2021-2022 (15 Holidays)

Friday	November 12, 2021	Veterans Day
Thursday	November 25, 2021	Thanksgiving ^{B,J,H}
Friday	November 26, 2021	Thanksgiving ^{B,J,H}
Friday	December 24, 2021	Christmas ^{B,J,H}
Monday	December 27, 2021	Christmas
Tuesday	December 28, 2021	Christmas
Wednesday	December 29, 2021	Christmas
Thursday	December 30, 2021	Christmas
Friday	December 31, 2021	Christmas ^{B,J,H}
Monday	January 3, 2022	New Year's Day
Monday	January 17, 2022	Martin Luther King, Jr. Day ^B
Friday	April 15, 2022	Good Friday ^B
Monday	May 30, 2022	Memorial Day ^{B,J,H}
Monday	July 4, 2022	Independence Day ^{B,J,H}
Monday	September 5, 2022	Labor Day ^{B,J,H}

Due to customer requirements, **the Baltimore** Part Distribution Center will observe the core holidays indicated with an (B) above, **the Jacksonville Part Distribution Center will observe the core holidays indicated with an (J) above, and the Hagerstown Remanufacturing Operation will observe the core holidays indicated with an (H) above.** The remaining holidays will be observed as floating holidays to be scheduled and observed during the contractual year.

2022-2023 (15 Holidays)

Friday	November 11, 2022	Veterans Day
Thursday	November 24, 2022	Thanksgiving ^{B,J,H}
Friday	November 25, 2022	Thanksgiving ^{B,J,H}
Friday	December 23, 2022	Christmas
Monday	December 26, 2022	Christmas
Tuesday	December 27, 2022	Christmas
Wednesday	December 28, 2022	Christmas
Thursday	December 29, 2022	Christmas
Friday	December 30, 2022	Christmas
Monday	January 2, 2023	New Year's Day
Monday	January 16, 2023	Martin Luther King, Jr. Day ^B
Friday	April 07, 2023	Good Friday ^B
Monday	May 20, 2023	Memorial Day ^{B,J,H}
Tuesday	July 4, 2023	Independence Day ^{B,J,H}
Monday	September 4, 2023	Labor Day ^{B,J,H}

Due to customer requirements, **the Baltimore** Part Distribution Center will observe the core holidays indicated with an (B) above, **the Jacksonville Part Distribution Center will observe the core holidays indicated with an (J) above, and the Hagerstown Remanufacturing Operation will observe the core holidays indicated with an (H)**

above. The remaining holidays will be observed as floating holidays to be scheduled and observed during the contractual year.

SECTION 46 HOLIDAY ELIGIBILITY

(a) To be eligible for holiday pay, the employee shall meet the following eligibility rules:

- (1) The employee has seniority in the bargaining unit in which the employee is then working on or before the day of observance of the holiday, or the employee previously completed a probationary period of Company employment other than in the employee's present bargaining unit and the Company service the employee so acquired was not broken at the time of the employee's transfer of employment into the employee's present bargaining unit, or the employee has completed thirty (30) calendar days of Company employment on or before the day of observance of the holiday.

Such holiday shall not count, however, as part of the employee's ninety (90) work day probationary period.

- (2) **Employees must work their full shift on the scheduled working day immediately before and after each holiday to receive holiday pay. Any day in which the employee received compensation for the full shift, with the exception of an employee being up to fifteen (15) minutes late or leaving their shift fifteen (15) minutes before their quit time, will be considered a day worked under this provision. For example, if the holiday falls on a Friday the employee is required to have worked (or receive full compensation) on the preceding Thursday and the following Monday.**

Note: Local Attendance rules and policies will apply to any late starts and early quits.

- (i) An employee's reason for not performing work on the last scheduled work day prior to or the next scheduled workday after the specified holiday may be excused by local management for good and sufficient cause on a case-by-case basis and if excused such holiday(s) shall be paid.
- (3) With respect to a holiday falling within the Christmas holiday period the employee must have worked:
 - i) in the workweek in which the Christmas holiday period commences, unless such Christmas holiday period commences on a Monday; or
 - ii) in the workweek prior to the workweek in which the Christmas holiday period commences if such Christmas holiday period commences on a Monday.

An employee's reason for not performing work within such "qualifying workweek" may be excused by local management for good and sufficient cause on a case-by-case basis and if excused such holiday(s) shall be paid.

- (b) It is understood that an employee who retires and who performs work within the qualifying workweek shall receive holiday pay for holidays which fall in such week. It is further understood that, in the case of the Christmas holiday period, such retired employee who performs work within the qualifying workweek shall receive pay for all the holidays observed during such Christmas holiday period.
- (c) An employee who has been approved to return to work after a confining illness or injury for which the employee received Weekly Disability Benefits and it happens to be the Christmas holiday period will receive holiday pay for each of the designated holidays on and after the date the employee was approved to return to work.
- (d) An employee who would have returned to work from a disciplinary suspension except for the fact that the date of such return falls within the Christmas holiday period will receive holiday pay for each of the designated holidays on and after the date the employee would have returned.
- (e) An employee who is laid off for any reason in the first, second, third, or fourth workweek prior to the week in which the Christmas holiday period begins, shall, if otherwise eligible, receive pay for each of the holidays in the Christmas holiday period, providing such employee worked in the week in which the layoff occurs.
- (f) An employee who works in the fifth, sixth, or seventh workweek prior to the week in which the Christmas holiday period begins, and who is laid off for any reason during that week shall, if otherwise eligible, receive pay for one-half of the holidays falling during such Christmas holiday period providing such employees worked in the week in which the layoff occurs.
- (g) In the event an employee is requested to work on a holiday listed in Section 45 of this Article and accepts such work assignments and fails to report for and perform such work without reasonable cause, such employee shall not receive pay for the holiday.
- (h) When one or more of the holidays designated in Section 45 above falls within an employee's scheduled vacation and on a day on which the employee would normally have been scheduled to work but for the employee being on vacation, such employee will be granted an additional casual day(s) off with pay, to be taken on the employee's last scheduled work day immediately preceding or the employee's next scheduled work day immediately following the employee's scheduled vacation, or the employee can elect to schedule the additional casual day(s) at a later date subject to the provisions regarding casual days in the applicable Local Supplemental Agreements.

- (i) If with respect to a week included in the Christmas holiday period, an employee supplements holiday pay by claiming and receiving an unemployment compensation benefit, or claims and receives waiting period credit to which the employee would not have been entitled if holiday pay had been treated as remuneration for the week, the employee shall be obligated to pay to the Company the lesser of the following amounts:
 - (1) An amount equal to the employee's holiday pay for the week in question, or
 - (2) An amount equal to either the unemployment compensation paid to the employee for such week or the unemployment compensation which would have been paid to the employee for such week if it had not been a waiting period. The Company will deduct from earnings subsequently due and payable the amount which the employee is obligated to pay as provided above.
- (j) Nothing contained herein or in a Local Supplemental Agreement shall allow an employee to receive holiday pay, if payment would result in a duplication of any state or federal benefit received by the employee. However, should the amount of the benefit be less than the amount of the holiday pay, the employee shall receive the difference.

SECTION 47

Compensation for recognized holidays shall be as follows:

- (a) Employees who perform no work on one of the above enumerated holidays shall be paid eight (8) straight time hours holiday pay, including any applicable shift premium.
- (b) Employees who perform work on one of the enumerated holidays shall be paid in the following manner:
 - (1) Double time for all hours worked plus 8 hours straight time holiday pay.
 - (2) If only part of a holiday is worked, but it is within their normal or prearranged shift, double time for hours worked with a minimum of four hours, plus 8 straight time hours holiday pay.

SECTION 48

Additional provisions relating to this Article are contained in the respective Local Supplemental Agreements.

ARTICLE 15 - VACATIONS

SECTION 49

(a) During the term of this Agreement, the vacation credit year shall commence each January 1 and continue through each December 31.

(b) The vacation take years during the term of this Agreement shall be:

Monday January 6 2020 to Sunday January 3, 2021

Monday January 4 2021 to Sunday January 2, 2022

Monday January 3, 2022 to Sunday January 1, 2023

Monday January 2, 2023 to Monday January 1, 2024

SECTION 50

(a) Employees will receive vacation proportionate to the employee's hours credited during the vacation credit year in accordance with the hours credited table in Section (b) below as follows:

Seniority (as of Jan. 1)	Pay	Time Off
6 months but < 3 yrs	40 hrs	1 wk
3 yrs but < 10 yrs	120 hrs	3 wks
10 yrs but < 20 yrs	160 hrs	4 wks
20 or more years	200 hrs	5 wks

(b) An employee will have worked and/or have been credited with a total of nine hundred (900) hours during the vacation credit year in order to be eligible for a full vacation in accordance with Article 15 of this Local Supplement and Article 15 of the Master Agreement. An employee who has worked or been credited with less than nine hundred (900) hours during the vacation credit year will be eligible for proportionate vacation in accordance with the following table:

Hours Credited	% of Full Vacation
900 or more	100%
860	95
820	90
780	85
740	80
700	75
660	70
620	65
580	60
540	55

500	50
450	45
400	40
350	35
300	30
250	25
200	20
150	15
100	10
50	5
Less than 50	None

- (c) The following periods not worked will be credited as time worked for the purpose of computing vacation eligibility: holidays, vacations taken or paid for during the vacation credit year, Local Union business leave of absence, absence due to injury or illness (if the absence is continuous, it will not count as time worked in any subsequent vacation credit period), paid absence while on jury duty, absence when receiving bereavement pay, time spent in military service as provided by governmental regulations, and time off due to temporary layoffs which will not exceed fourteen (14) consecutive days, as described in Article 7, of the Local Supplemental Agreements.

A seniority employee's accumulated progression time for purposes of vacation eligibility calculation will stop when he/she leaves active employment and will resume when he/she returns to active employment. The foregoing does not affect the seniority provisions of Article 6, Sections 17 and 18 of the Master Agreement.

SECTION 51

- (a) The Company will have the option to shut down operations for up to a two (2) consecutive week vacation period. The Company will give notice to the Union, in writing no later than October 1, 2020 for the announced 2021 shutdown and by each successive October 1 for the following year's shutdown period. The two-week vacation shutdown period shall be the week beginning with the last Monday in July and the week beginning with the first Monday in August.
- (b) When the Company schedules a vacation shutdown, employees who are not scheduled to work during shutdown shall be subject to the following:
- (1) Employees whose vacation entitlement is equal to or less than the duration of any vacation shutdown shall take their full vacation entitlement during the shutdown.
 - (2) Employees whose vacation entitlement is greater than the duration of any vacation shutdown shall take vacation equal to the length of the shutdown during the shutdown.

SECTION 52

With respect to employees working during the vacation shutdown, the following conditions shall apply:

(a) Employees eligible for one (1) or more weeks of vacation:

- (1) Employees who are scheduled to work for a period less than the full duration of a vacation shutdown shall be paid vacation time for any full weeks not scheduled to work during such period. Such employees shall, if otherwise eligible, be entitled to SUB and unemployment compensation for any week or partial week not worked during such period.

(b) Employees not eligible for vacation:

- (1) Employees who are not eligible for vacation shall be entitled to SUB and unemployment compensation, if otherwise eligible, for any working days they are not scheduled to work during the vacation shutdown. However, an employee who declines to accept an offer of work during such vacation shutdown shall not be eligible for SUB or unemployment compensation payments for the days such work was offered, providing such offer of work was made forty-five (45) calendar days before the first week of the vacation shutdown period.

SECTION 53

Any employee who is eligible for less vacation than the duration of the vacation shutdown and who is not scheduled to work during the vacation shutdown, shall not be deemed to be on vacation during any period of the vacation shutdown in excess of the employee's remaining vacation eligibility. However, an employee who declines to accept an offer of work during such vacation shutdown shall not be eligible for SUB or unemployment compensation payments for the days such work was offered, providing such offer of work was made forty-five (45) calendar days before the first week of the vacation shutdown period.

SECTION 54

The special seniority of Local Union officials, listed in the Local Supplemental Agreements, shall apply in the case of work performed during vacation shutdown including inventory work.

SECTION 55

Additional provisions relating to this Article are contained in the respective Local Supplemental Agreements.

ARTICLE 16 - WAGES, STARTING RATES AND PROGRESSION

SECTION 56 WAGES

- (a) Base rates after the appropriate cost-of-living allowance (hereinafter referred to as COLA) fold will remain at current levels for the duration of the Agreement, except as specifically provided below.
- (b) The job classifications, the wage rates to be paid, and the methods of payment are specified in each Local Supplemental Agreement and made a part thereof, and such classifications and wages shall remain in effect for the duration of this Agreement except as otherwise modified by mutual agreement by the Parties.
- (c) Pursuant to the wage progression system for employees hired prior to March 25, 2013, the appropriate maximum wage rate will be multiplied by the percentage factor representing the stage in the wage progression the employee has achieved (i.e. 70% for the first twelve months, 80% for the second twelve months and 90% for the third twelve months). After thirty-six months, the employee will be entitled to 100% of the maximum wage rate for his classification.
- (d) Wage rates and progression for Skilled Trades, Lab Technicians, Engineering Technicians and those classifications in the Design Group, if any, will be established at each of the facilities and will be documented in the respective Local Supplemental Agreements.
- (e) Maintenance, **Cores** and General Maintenance classifications as defined in the Hagerstown and Macungie Local Supplemental Agreements will not be subject to wage progression.
- (f) Breaks in service resulting from layoff, leaves of absence, long term disability, etc. (excluding compensable injuries) which exceed thirty (30) calendar days **shall not be credited toward the employee's next wage progression step.** The foregoing does not affect seniority provisions of Article 6, Sections 17 and 18 of the Master Agreement.
- (g) Employees hired on or after March 25, 2013 shall be paid as follows:

	Wage Rate Upon Hire and Ongoing Percentage of Base Rate for Classification
Date of Hire	70%
After 12 months	75%
After 24 months	80%
After 36 months	85%
After 48 months	90%
After 60 months	95%
After 72 months	100%

Employees hired on or after March 25, 2013 (except for those employees transitioned to traditional status prior to October 2, 2016) and who are in a wage progression shall not receive any future COLA accruals until all wage progression stages have been completed (pursuant to Article 16, Section 55 of the 2019 Mack Master Agreement) at which time they will be advanced to the current maximum wage rate including all unpaid COLA accruals.

Breaks in service resulting from layoff, leaves of absence, long term disability, etc. (excluding compensable injuries) which exceed thirty (30) calendar days in any one (1) of the six (6) twelve (12) month periods stated above will not be counted toward accumulated wage progression time and shall delay the individual's progression to the next step for a period of time equal to the breaks in service. A seniority employee's time in progression will stop when he/she leaves active employment and will resume when he/she returns to active employment. The foregoing does not affect seniority provisions of Article 6, Sections 17 and 18 of the Master Agreement.

SECTION 57 ANNUAL ADJUSTMENTS

- (a) Within two weeks following ratification of this Agreement a **three thousand five hundred dollar (\$3,500)** ratification bonus will be paid to all B.U. employees who are actively at work or on layoff. Employees in wage progression as of the effective date of this Agreement will also receive this payment.
- (b) During the third year of this Agreement all B.U. employees **will receive a one thousand dollar (\$1,000) lump-sum payment effective October 3, 2021.**
- (c) The lump sum payment described in (a) above shall be subject to all applicable Federal, State and Local Payroll withholdings and deductions.

SECTION 58 COST OF LIVING ALLOWANCE

- (a) The COLA shall be added to each employee's straight time earnings, but not the base wage for any classification.
- (b) The COLA in effect at the time shall be included in computing overtime and shift premiums and in determining call-in pay, call-back pay and pay for vacation, holiday payments, jury duty pay, bereavement pay and short-term military duty pay.
- (c) Employees in wage progression as of the effective date of this Agreement will not be eligible for COLA adjustments during their wage progression period. At the completion of their wage progression period, such individuals will be advanced to the maximum rate in their classification, which will include the then current COLA.
- (d) Basis for Allowance:
The amount of the COLA shall be determined and redetermined as provided below on the basis of the Consumer Price Index -- All items (1967 = 100) Revised Urban Wage Earners and Clerical Workers (CPI-W) published by the Bureau of Labor Statistics, United States Department of Labor (hereinafter designated as the "Index"). Adjustments in the COLA shall be made at the following times and in the amounts as set forth below:

Effective Date of Adjustment	Based upon Three-Month Average of the BLS Consumer Price Index
December 5, 2016	August, September, October 2016
March 6, 2017	November and December 2016 and January 2017
June 5, 2017	February, March, April 2017
September 4, 2017	May, June, July 2017
December 4, 2017	August, September, October 2017
March 5, 2018	November and December 2017 and January 2018
June 4, 2018	February, March, April 2018
September 3, 2018	May, June, July 2018
December 3, 2018	August, September, October 2018
March 4, 2019	November and December 2018 and January 2019
June 3, 2019	February, March, April 2019
September 2, 2019	May, June, July 2019

In determining the three-month average of the Index for a specified period, the computed average shall be rounded to the nearest 0.1 index point. In no event will a decline in the three-month average of the Index below 672.1 provide the basis for a further reduction in wages.

(e) Amount of Allowance

- (1) The amount of COLA float effective October 1, 2016 was \$0.22. After the COLA fold-in and effective October 2, 2016 the COLA float shall be zero. Any quarterly COLA adjustment during this Agreement which is negative shall reduce the COLA float amount by that negative amount or by the amount of the float, whichever is less. In no case will the COLA float be less than zero following such reduction.
- (2) Effective October 2, 2016 and for any period thereafter as provided in Subsection (d), the COLA shall be in accordance with the following tables:

Three-Month Avg. of the Index	COLA Allowance
672.2 – 672.4	\$.01
672.5 – 672.7	\$.02
672.8 – 672.9	\$.03
673.0 – 673.2	\$.04
673.3 – 673.4	\$.05
673.5 – 673.7	\$.06
673.8 – 674.0	\$.07
674.1 – 674.2	\$.08
674.3 – 674.5	\$.09
674.6 – 674.7	\$.10
674.8 – 675.0	\$.11
675.1 – 675.3	\$.12
675.4 – 675.5	\$.13

and so forth with one cent (1¢) adjustment for each 0.26 change in the average of the Index. The table will be extended to provide 1¢ adjustments payable sequentially for each 0.3, 0.2, 0.3, 0.2, 0.3 change in the average of the Index, with that sequence repeated so as to provide an average adjustment over time of 1¢ for each .26 change in the average of the Index.

- (3) The cost-of-living adjustment during the **life of this Agreement shall be suspended and not be payable and with no subsequent restoration or make-up.**
- (f) In the event the Bureau of Labor Statistics does not issue the appropriate Consumer Price Indexes on or before the beginning of one of the pay periods referred to in paragraph (e) above, any adjustments in the COLA required by such appropriate

Indexes shall be effective at the beginning of the first pay period after receipt of the Indexes.

- (g) Continuance of the COLA shall be contingent upon the availability of the Index in its present form and calculated on the same basis as the Index for August 2016 unless otherwise agreed upon by the Parties. If the Bureau of Labor Statistics changes the form or the basis of calculating the BLS Consumer Price Index, the Parties agree to request the Bureau to make available, for the life of this Agreement, a monthly Consumer Price Index in its present form and calculated on the same basis as the Index for August 2016.

Notwithstanding the above, beginning with the Index for January 1985, the CPI-W as revised to reflect modification of its homeownership component, will be used to determine the amount of the cost-of-living allowance. In the event any other modifications are made to the Index during the term of this agreement, the Parties will determine the appropriate Consumer Price Index to use.

- (h) No adjustments, retroactive or otherwise, shall be made due to any revision which may later be made in the published figures for the BLS Consumer Price Index for any month or months specified in paragraph (d).

SECTION 59 NEW JOB CLASSIFICATIONS

When new jobs are created, the Company and the Union shall promptly negotiate to the end that such jobs are properly classified. If the Parties are unable to agree upon the proper classification and the rate of pay of any job, the matter shall be referred to arbitration as provided in this Agreement. In any such arbitration, the arbitrator shall have the authority in a single arbitration, to determine the appropriate classification and rate, as well as the authority to award retroactive pay. During the pendency of negotiation or arbitration, the job shall be performed on the basis proposed by the Company.

SECTION 60

Unless otherwise restricted by applicable state regulations, all payroll payments to employees will be made on **Friday** by electronic direct deposit to the bank or financial institution the employee so designates. If restricted by applicable state regulations, such employees will have their paycheck mailed from the payroll processing vendor to their address on record with the Company, unless such employee voluntarily elects the direct deposit option. Any weekly make-up payments to correct payroll underpayments will be made by direct deposit or issued to the employee in Pay-Cards. **Each Company location will have the ability to assist in the correction of payroll errors in conjunction with the Human Resources Service Center. Further, understanding**

the impact payroll errors have on its employees, the parties agree to jointly work on solutions to minimize the number of errors that occur.

SECTION 61 NIGHT SHIFT PREMIUM

- (a) Six percent (6%) night shift premium shall be paid for work performed on the second and third shifts (nights) at all locations covered by the Master Agreement.
- (b) Employees regularly assigned to any approved special shift, at least fifty percent (50%) of which falls within the regular second or third shift hours, shall also receive a night shift premium differential of six percent (6%) for time worked on approved special shifts. "Regularly assigned" for the purposes of this Subsection means any period worked within night shift hours which is separated from an employee's regularly scheduled shift and does not continue into or extend continuously beyond such shift, except for an assignment arising out of a "call-back", covered by the provisions of the respective Local Supplemental Agreements. "Regular second or third shift hours" are defined in the Local Supplemental Agreements.

SECTION 62

Employees who are required to work away from the area in which such employee's facility is located shall be given an appropriate advance of monies for expenses to be incurred. Arrangements to pay the employee's wages, including overtime payments, as well as additional required expense monies, shall be made at the time of work assignment.

Additional specific provisions relative to wages and hours of work are contained in the respective Local Supplemental Agreements.

ARTICLE 17 - TRANSFERS-WAGE RATES

Employee Transfer Provisions are contained in the respective Local Supplemental Agreements.

ARTICLE 18 - PRODUCTION STANDARDS

Provisions are contained in the respective Local Supplemental Agreements.

ARTICLE 19 - DISCHARGE AND DISCIPLINE

SECTION 63

No employee who has acquired seniority with the Company under this Agreement shall be suspended, discharged or disciplined except for just cause. Upon the discharge or suspension of such employee, the following procedure shall be observed:

- (a) The Company shall promptly notify the appropriate Local Union representative of the employee's discharge or suspension.
- (b) After the notice of discharge or suspension is given to the appropriate Local Union representative, and upon the request of the Union, an informal pre-grievance meeting concerning the discharge or suspension will be arranged between a designated Company representative and an appropriate Union representative. The meeting will occur either during the normal first shift work hours on the day of the discharge or suspension or no later than the end of the first shift of the working day following the discharge or suspension.
- (c) The Company shall advise the employee and the appropriate Local Union representative in writing of the grounds for the discharge or suspension no later than the end of the employee's shift on the working day following the discharge or suspension.
- (d) Any grievance based upon a discharge or suspension shall be submitted to the designated Company representative in writing within ten (10) working days thereafter, or the employee and the Union shall be deemed to have waived any objection to such discharge or suspension. If the Union requests an immediate hearing on any grievance arising out of such discharge or suspension, a meeting on such grievance will be arranged forthwith.
- (e) In the event any discharge, suspension or disciplinary matter is brought to arbitration pursuant to the grievance procedure under this contract, the arbitrator shall have authority to direct full reinstatement with back pay or to impose a lesser penalty if warranted.

SECTION 64

In imposing discipline on a current charge, the Company will not take into account any prior infractions which occurred more than two (2) years previously.

SECTION 65

No record of a prior written reprimand nor any derogatory information contained in the Company's central personnel files shall be used in any subsequent disciplinary proceeding unless the employee affected has received a copy of such written reprimand or derogatory information, it being expressly understood that notes or memoranda retained by a supervisor to refresh memory shall not be barred in such proceeding.

SECTION 66

No employee shall be discharged or disciplined while on a bona fide sick leave.

SECTION 67

Notwithstanding the provisions of Article 22 herein, the arbitrator herein shall have the authority in discharge cases to determine whether employees otherwise eligible shall receive a Supplemental Allowance under the Pension Plan, in accordance with the provisions of Appendix A, Mack-UAW Pension Plan, Summary Plan Description of this Master Agreement.

ARTICLE 20 - STRIKES AND LOCKOUTS

Except as provided in the respective Local Supplemental Agreements regarding Production Standards and Article 21 of this Master Agreement as applicable, the Union agrees that there shall be no authorized strikes during the term of this Agreement. The Union agrees not to ratify any unauthorized strike. It further agrees that if an unauthorized strike occurs, the Local and International Union officials will immediately meet with the Company and take appropriate action to end the strike, including, but not limited to, public renunciation of the strike and instructions to employees to return to work. The Union further agrees that in the event of a strike in violation of this Agreement, the Company may take disciplinary action against those workers who take part in the strike. The Company, for its part, agrees that there shall be no lockouts during the life of this Agreement. As long as the Union, its officers, agents and employees comply with the above provisions, the Company agrees not to bring any court action for damages or take other action which is not provided for in this contract, against the Union, its officers, agents and employees for breach of this Article.

ARTICLE 21 - HEALTH AND SAFETY

SECTION 68 JOINT APPROACH

- (a) The Company recognizes its obligation to provide a safe and healthy work environment for its employees. The Union shall cooperate with the Company's efforts to carry out its obligation and both Parties agree to use their best efforts, jointly, to achieve that end. **With regard to any and all joint activities referenced in this Article, the parties acknowledge and agree the joint relationship is vital to the parties' efforts to provide a safe and healthy workplace. However, the Company retains the final decision-making authority covering any joint activity referenced herein. This does not eliminate the Union from following the grievance procedure as outlined in Article 5 of the Master Agreement.**

- (b) The Parties working together, will use these agreed upon procedures to achieve mutually desired results while conforming to relevant legal requirements. Adherence to these procedures is to be fostered by both Parties as preferential to recourse to outside agencies or other avenues outside the scope of this Agreement.
- (c) The International Union, UAW, Local Unions, Union and Joint Health and Safety Committees, Union officials, employees and agents shall not be liable for any work-connected injuries, disabilities or diseases which may be incurred by employees of the Company or its subsidiaries or by third parties while on Company property. This is not intended to, and does not increase the Company's liability in such cases beyond its normal exposure, if any (i.e. Worker's Compensation).

SECTION 69 HEALTH AND SAFETY REPRESENTATION

- (a) The Union Health and Safety Representative will be appointed by the UAW International Union. The parties agree that the UAW Health and Safety Representative will at a minimum complete an OSHA 30 Hour course within four (4) years of being appointed. The parties also agree that it is important to have the best educated and trained/certified UAW Health and Safety Representatives that are representing the membership and the Company; therefore, it is highly encouraged that they attain an Occupational Health and Safety Technologist (OHST) certification or equivalent course to further their education in the health and safety field. The Company recognizes a Union Health and Safety Representative for the following locations.
- (b) In the manufacturing locations at Hagerstown and Macungie, this will be a full-time position. In the Middletown Remanufacturing facility the Union's Health and Safety Representative will be provided with two (2) consecutive straight-time hours per regular workday (Monday through Friday) as mutually agreed to on the workday in the performance of such duties. Additional paid time in excess of these two (2) hours may be required of the Representative on any given regular workday as determined and approved by the Company. The Union Health and Safety Representative will be responsible for the administration of Health and Safety programs for all Union represented employees in their respective Local. The Company will recognize an Alternate representative who will function when the principal is absent for one (1) full day or longer, and as needed during shorter absences of the principal, the Alternate may function in response to emergency situations. The Health and Safety Representative will be permitted to work overtime to perform mutually agreed upon health and safety related tasks.
- (c) In the Parts Distribution Centers, the Union Health and Safety Representative will function as needed to fulfill the responsibilities detailed in (e) below. The Health and Safety representatives shall have the right to leave their work to perform those responsibilities, upon notifying their respective supervisor. If leaving work will

disrupt subsequent operations, the Health and Safety representative and the supervisor shall make other arrangements as shall be necessary. It is understood that the Union Health and Safety Representative will be released immediately in the case of an emergency and will be released within a period of one hour for other duties. A Bargaining Unit Committeeperson will be designated by the Local to function as the Alternate Health and Safety Representative under the same conditions as the Alternate in (b) above.

- (d) The Chairpersons of Local #1247 may function as necessary to deal with health and safety issues.
- (e) The Union Health and Safety Representative is responsible for working jointly, with and separately from, the Facility Manager responsible for Health & Safety to implement and evaluate the effectiveness of all of the facility's Health and Safety programs, including:
 - (1) UAW Health and Safety Representatives will be notified in advance of health and safety inspections by private agency officials, and licensed inspectors required or by consultants retained by the Company, and whenever possible by government officials including federal, state, city and county code enforcement, and be afforded an opportunity to accompany such officials or consultants and provide any pertinent information to them. A copy of such reports, including those of insurance inspectors, will be provided to the UAW Health and Safety Representative. The Company retains the right to withhold the portions of any report that would be protected, under law, as attorney-work product or by the attorney-client privilege, or management privileged information, with the exception of those sections related to health and safety. In addition, UAW Health and Safety Representatives may accompany Corporate and International Union Health and Safety professionals on inspection tours.
 - (2) The primary responsibility for conducting accident investigations lies with the immediate supervisor of the employees involved. Except in the case of a medical emergency, employees are responsible, for notifying their supervisor immediately following an injury or accident. The accident investigations conducted by the supervisors shall be submitted within 24 (it is understood that the submitted report might only be a preliminary and not a completed report) hours. The Company will make available, upon request, any preliminary information available during the course of the investigation. The Facility Health and Safety Team will be notified as soon as possible and will be forwarded for review all reports of these investigations and where appropriate, conduct investigations of serious or potentially serious accidents including near misses. If it is determined that the serious injury was caused by an equipment malfunction, the investigation and repairs will be implemented prior to another employee being assigned that machine.

Management will notify the Union Health and Safety Representative of any significant spills, fires, serious injury, fatality (SIF Cases) before the end of the shift the incident occurred on, or illness including OSHA recordable and Worker Compensation cases within 24 hours.

A near miss (non-injury incident) reporting system will be established at each facility. The parties will encourage employees to participate in the near miss reporting system. The Union Health and Safety Representative will be responsible for tracking, recording and trending all near miss reports and will provide monthly reports to the facility Manager responsible for Health and Safety. The Company will provide a computer system for each Union Health and Safety Representative to perform this task. The Parties recognize that the foundation of any successful safety process rests with a cultural atmosphere that allows employees to bring potentially hazardous situations to the attention of the Union and Management in order to achieve timely correction.

- (3) Review, recommend and administer/conduct local safety training (which shall not be primarily video based), education and information programs.
- (4) Conduct industrial hygiene surveys to measure noise, air contaminants and air flow with equipment provided by the Company.
- (5) Make regular inspections of the facility.
- (6) Have access to Safety Data Sheets (SDS). Full disclosures of hazardous chemicals, regardless of concentration, must accompany SDS's before the SDS is approved for use.
- (7) In conjunction with the Facility Health and Safety Manager, jointly develop necessary Health and Safety Programs for the facility, including, but not limited to, those specific programs set forth hereafter.
- (8) In conjunction with the Facility Health and Safety Manager, review new facility layouts, new manufacturing equipment and major process (including changes in chemical usage) changes. When layout is complete and prior to approval, the Health and Safety Team will review to help ensure good health and safety practices are followed. This review may include design, vendor tryout and post-installation review. Such review shall include potential ergonomic problems. Noise reduction factors of new machinery and hand tools to be purchased by the Company shall be reviewed. The Health and Safety Manager or designee will make a final approval determination based on the reviews. Local Management will communicate to all Engineers their responsibility to notify and involve Union and Company health and safety personnel to comply with this section. The Company and Union will jointly develop a comprehensive checklist for use during the review of new/modified machinery and processes.

- (9) Prepare reports of findings of the above activities for facility Management and the Joint Health and Safety Committee.
- (f) The Union Health and Safety Representative and the Facility Manager responsible for Health and Safety acting jointly are referred to as the Facility Health and Safety Team in the sections hereunder.

SECTION 70 LOCAL COMMITTEE ON HEALTH & SAFETY

- (a) To facilitate open communications on health and safety matters, a joint committee on Health and Safety will be established in each facility.
- (b) In the manufacturing locations, the Committee will be comprised of not less than four (4) Union members, including the Union Chairperson(s) or designee, the Union Health and Safety Representative and at least two members selected by the Union and not less than two (2) members of Management, including one (1) senior member (i.e. Facility Manager or empowered designee), the Facility Health and Safety Manager or designee and other members of management as needed. Committee members designated by the Union will be members of the Shop Committee.
- (c) In the other locations (offices, Parts Distribution Centers, Engineering, and Middletown Remanufacturing Center), the Committee will be comprised of not less than two (2) Union members including the President/Chairperson or designee and the Health and Safety Representative and not less than two (2) Management members including the PDC Manager or empowered designee.
- (d) The Committee, co-chaired by the Facility Health and Safety Team will meet once a month for the purpose of reviewing the status of the Facility Health and Safety Program. Committee members will be supplied with a monthly analysis of all accidents and injuries and other appropriate data. The Committee will review reports and recommendations of its members or other facility employees and will recommend appropriate actions relating to the Facility Health and Safety Program to the Facility Manager for implementation. The Union Health and Safety Representative is responsible to insure that a facility-wide master list of health and safety issues/concerns is maintained. The list will include the issue/concern, the hazard or risk, the recommended action, the person(s) responsible to implement the improvement, the proposed completion date and updated status. Copies of the master list will be provided monthly to all members of the Committee. Open health and safety items will be communicated to employees through postings, safety talks and plant or group meetings.
- (e) In the event of an emergency, any member of the Safety Committee may call a special meeting of the Safety Committee, to be convened as soon as possible.

- (f) Minutes of Committee meetings shall be taken by either the Facility Environmental, Health and Safety Manager or the Union Health and Safety Representative and if acceptable, signed by both above individuals. Copies of the minutes will be provided to all Committee members and the Facility Manager, in a timely manner.

SECTION 71 INTERNATIONAL JOINT COMMITTEE

An International Joint Committee on Health and Safety (hereinafter referred to as the International Safety Committee) will be established, consisting of two (2) representatives of the International Union plus one alternate appointed by the Director of the Union's Mack Truck Department, and two (2) representatives of the Company plus one alternate appointed by the Corporate Director of Employee and Labor Relations of the Company. Each party will appoint at least one (1) member who has professional training in industrial hygiene or safety. This Committee shall:

- (a) Meet at mutually agreeable times and places; at least one (1) face-to-face meeting at a facility annually. When mutually agreed, an additional face-to-face meeting will be scheduled.
- (b) Review the Company's safety and health programs and make necessary or desirable recommendations.
- (c) Develop the annual training plan for the Union Health and Safety Representatives and Alternates.
- (d) Develop and recommend to the Company guidelines for employee training and education, with special emphasis placed on crane and hoist operation and inspection, powered industrial vehicle safety, rigging, robotics, confined space entry, electrical safety for electricians and remote control crane operations.
- (e) Review and analyze federal, state, or local standards or regulations which affect the health and safety programs within the Company.
- (f) Review Health and Safety issues and concerns regarding serious or unusual situations affecting employees' health and safety and make necessary or desirable recommendations.
- (g) Review and analyze serious accidents, injuries, fatalities (SIF) and near misses, and injury and illness data for all facilities.
- (h) Receive and deal with matters referred to them by the Local Safety and Health Committees.
- (i) A joint safety inspection will be performed during the face-to-face meeting(s).

SECTION 72

The Company agrees to provide the Union Health and Safety Representatives access to all health and safety-related information (except management-privileged information) available to their Company counterparts in a timely manner, including, but not limited to:

- (a) Provide and maintain appropriate equipment for conducting industrial hygiene surveys for chemical and physical hazards encountered in its facilities. Such equipment shall include, but is not limited to, noise level meters, sampling pumps, dosimeters, detection tubes and appropriate sampling media.
- (b) Provide appropriate education and training for the Union Health and Safety Representatives, Local Union Chairpersons that function as Health and Safety Representatives and Alternates as determined by the International Safety Committee. At a minimum, two training programs will be scheduled each calendar year for Union Health and Safety Representatives. Any additional training requests from the Union Health and Safety Representative must be mutually agreed upon by the International Safety Committee. Training will include at least one Joint Training Session and the topic will be jointly agreed upon by March 1st of each calendar year. The second additional training will be determined jointly at the location level and will be based on the location's specific needs. Alternates and Chairpersons that are functioning as Health and Safety Representatives will also be scheduled for one training per year, the subject of which will also be determined by the local Joint Health and Safety Committee. It is not the intent of the International Safety Committee to schedule the Union Health and Safety Representatives and Alternates out of the plant for training at the same time. Any dispute regarding Local training decisions will be resolved by the International Joint Committee of Health and Safety.
- (c) Disclose, upon request of the International Safety Committee, the SDSs for any known hazardous chemicals or materials to which the employees are exposed, including any information regarding remedies and antidotes (i.e. first aid measures) for such chemicals and to provide the Local Union Health and Safety Representatives, the SDSs for any known hazardous chemicals or materials being used at that operation, even if being used on a trial basis.
- (d) Arrange for regular surveys of each facility by the Company's Industrial Health and Safety staff, or preferred vendor, and provide special surveys at the request of the International Joint Committee on Health & Safety. Such special survey reports will be provided to the International Joint Committee on Health and Safety.
- (e) Provide facility access, upon reasonable notice, to all Company UAW organized locations to Health and Safety Representatives of the International Union. Reports on such facility surveys will be provided to the Company.
- (f) Where required by regulation and/or company policy, or by request of the International Joint Committee on Health and Safety, provide information to employees who are exposed to potentially harmful agents or toxic materials, at no

cost to them, medical services, physical examinations, and other appropriate tests including audiometric examinations at a frequency and extent necessary to determine whether the health of such employee is being adversely affected and to instruct them in the safe use of these materials. Also, upon the employee's written request, copies of such information will be forwarded to the employee's personal physician. Periodic physical examinations and x-rays, as needed, for spray painters and such other classifications as may be recommended by the Local Committee on Health and Safety, and when required by regulation and/or Company Policy or by request of the International Joint Committee, shall be provided by the Company at no expense or loss of earnings to such employees.

- (g) Whenever it is determined that an employee has had a personal exposure exceeding the permissible level as set forth in 29CFR-1910.1000. The employee will be notified and such information shall be entered in the employee's medical record.

SECTION 73

In the event an employee recognizes a safety concern, or has a reasonable belief that a work condition will cause an imminent danger to life or limb, the condition is to be brought to the attention of the immediate supervisor. Failing resolution of the issue by the Supervisor, the employee should request the involvement of the respective Bargaining Committee person who will attempt to resolve the issue with the supervisor and/or the next level of management.

If the issue is not resolved, the Supervisor or Committee person will call upon the Facility Health and Safety Team to investigate and help resolve the issue.

If the issue is still not resolved, it is the position of the Parties that an employee will not be required to work under an alleged condition which presents an imminent danger to life or limb, until the highest-ranking member of management on-site at the time and the Facility Health and Safety Manager (Management counterpart of UAW Health and Safety Representative) has made a decision that the condition does not pose an imminent danger. This procedure shall not preclude the filing of a Health and Safety grievance in step one (1) of the Grievance Procedure.

SECTION 74

Notwithstanding the provisions of Article 20 of the Master Agreement, the Union shall have the right, in connection with grievances alleging violations of health and safety provisions, to strike in accordance with the following procedure:

- (a) Within sixty (60) days from the date of the written decision submitted at Step 3 of Article 5, the Union shall notify the Human Resources Manager, in writing, that it does not intend to arbitrate the grievance or grievances but that it has been

authorized by a vote of its Local Membership to strike concerning grievances specified in the written notice.

- (b) During at least the ten working (10) days following such notice, the Company shall review such grievance or grievances with the International Union and the appropriate Local Bargaining Committee. The parties shall have the right to have their International Safety Committee members participate in such review, including the right to inspect the conditions which are the subject of grievance.
- (c) Upon fulfillment of the review requirement of (b) above and during the ninety (90) day period following receipt in accordance with (a) above, the Union shall have the right to strike upon five (5) days' written notice from the Regional Director of the UAW International Union to the Vice President of Labor Relations of the Company that the International Union has authorized such strike.
- (d) In the event the Union does not strike within such ninety (90) day period or mutually agreed upon extension thereof, the right to strike shall be deemed waived unless thereafter the dispute is again processed in accordance with the provisions of paragraphs (a), (b) and (c), including re-authorization by the membership and the International Union of a strike regarding such dispute. In such event, it is understood that the sixty (60) day limitation of paragraph (a) above shall not apply.
- (e) It is understood that at any time prior to the expiration of the aforesaid ninety (90) day period, the Union may refer the grievance to arbitration in accordance with the provisions of Article 5 of the Master Agreement in which case the right to strike hereunder shall be deemed waived.
- (f) In the discussion and settlement of the grievances which are the subject of a strike notice, neither Party shall be required to bargain or act with respect to any other issue, grievance or dispute.

Nothing herein shall be construed to restrict any employee's rights under Section 502 of the Labor Management Relations Act, 1947, as amended.

SECTION 75

- (a) The Company will continue to provide personal protective equipment (PPE) and special protective clothing as required. This equipment will be supplied at no cost to the employee. Once having received such equipment, the employee shall turn in the equipment to receive a replacement, except when beyond the employee's control. Such exceptions must be documented.

- (b) All employees presently supplied with appropriate PPE and special protective clothing will continue to be supplied with at no cost to the employee. The Local Union shall be furnished a list of classifications and the locations of all employees who have been supplied with PPE and special protective clothing and shall have the right to request changes to the list. In applying this paragraph, appropriate fire retardant special protective clothing will be supplied to all welders performing gas, air or combination welding, who wear over such special protective clothing the leather sleeves and the leather aprons supplied by the Company. It is understood that, when provided as PPE, the use of the special protective clothing is mandatory while employees are performing duties.
- (c) It is understood that employees shall wear ANSI-rated safety glasses with side shields, which will be supplied by the Company without cost to the employees and replaced without cost if they are broken. The Company will supply, without cost to the employee, prescription safety glasses with side shields, including bifocal and trifocal progressive lenses, when obtained through the authorized source. The prescription safety glasses will be replaced by the Company without cost to the employee if they are in any way damaged beyond repair in the performance of work for the Company.
The employee will pay for eye examination, except where covered by the Vision Care Program.
- (d) **The Company will annually provide eligible employees (i.e. on the active payroll as of January 1st) the sum of one hundred forty dollars (\$140) for the purchase of ANSI approved safety shoes to be worn in all areas of the facility as required by the Company, this reimbursement will be paid on the first pay period every January. Employees hired after January 1st will receive the shoe allowance on their first pay period.** The company will provide reimbursement for a second pair of safety shoes at the discretion of the **acting Health and Safety Manager** when the original pair of shoes has been subject to work-related damage beyond repair, and the employee submits the damaged shoes for exchange.

SECTION 76

(a) SAFETY TALKS PROGRAM

Both parties share the view that safety talks will be a part of the Safety Program. These talks are usually conducted by supervision and serve the purpose of educating employees in safe work practices, encouraging awareness of workplace hazards and providing a mechanism for feedback to employees' safety concerns. The Facility Health and Safety Team will establish the frequency and monitor the effectiveness of the Facility Safety Talk Program. The Company agrees that Safety Talks are not a substitute for formal training programs but will be used to compliment such programs.

(b) SAFETY LOCKOUT PROGRAM

The Company will **ensure** that an effective lockout program is implemented in each facility consistent with OSHA Standards. **In addition to OSHA regulatory requirements, the following will apply: 1.)** Tags alone will not be used to isolate energy. Placards containing machine-specific lockout procedures, listing equipment needed and verification methods, will be posted on all machinery and equipment with multiple energy sources. **2.)** Placards will also be posted on single energy source machines that have an energy isolation device that is not located in the immediate vicinity. **3.)** Annual refresher training will be conducted. **4.)** Audits will be performed on an **annual** basis to **ensure** compliance with the lockout program. **5.) Any additional elements identified in the Volvo Safety Directives relating to the Lockout/Tagout (LOTO) Procedure.** The Facility Health and Safety Team is responsible for developing and modifying the program consistent with changing facility conditions and operations and OSHA standards. In addition, best practices, such as those incorporated into ANSI Z-244, and monitored power systems which comply with American National Standards for machine tools (ANSI B11.19) and manufacturing systems/cells (ANSI B11.20) will be reviewed and considered for incorporation into the program.

(c) EDUCATION

A joint effort will be directed toward the development of new and the expansion of existing training programs. The program will prioritize employees known to be at high risk to injury or illness, such as those in the skilled trades and maintenance classifications. Training required by regulation shall consist of both classroom and hands-on, where feasible. Such training will be scheduled with enough notice to provide ample opportunity to work around production schedules.

(d) HAZARDOUS MATERIALS / CHEMICALS REDUCTION AND CONTROL

Effective control of hazardous materials will serve to protect the employees of Mack and the surrounding communities. The Company is committed to the goal of continuous reduction in the use of hazardous materials / chemicals consistent with the Corporate Program. This will be accomplished through the implementation of a written program, which establishes a local Hazardous Material Review Program (HMRP). The process will involve appropriate engineering, environmental, purchasing, security and safety personnel. Local UAW Health and Safety Representatives will be included in the program. The local HMRP will define the hazardous material / chemicals approval process and emphasize ongoing efforts to identify safer substitutes for new as well as materials / chemicals currently in use. This includes hazardous materials / chemicals on incoming production parts. These efforts will be directed by the Facility Health and Safety team and are expected to reduce employee exposures and protect the environment. The Health and Safety Manager, or designee, will make a final approval determination based on the review of the SDS.

(e) ERGONOMICS

- (1) It is the Company and Union's objective to establish and maintain an effective ergonomics program, appropriate to each facility, in order to control occupationally related musculoskeletal disorders. The Company recognizes its responsibility to support the Ergonomics Program by providing the necessary resources (e.g. training, economic tools) and leadership. All aspects of the Ergonomics Program will be jointly developed and administered.
- (3) The Company recognizes that computerization of Worker's Compensation, medical visit and OSHA recordable data is an important step in the ergonomic process and will begin working toward that end. Union Health and Safety Representatives and appropriate members of the Ergonomics Committee will be provided access to the system.

(3) Joint Facility Ergonomics Committees

A Joint Ergonomics Committee will be established at each facility and at a minimum will meet monthly. At PDCs the Local Health and Safety Committee will serve as the Ergonomics Committee. Each Committee will be jointly co-chaired by the Company and Union. Each Committee will include appropriate Union and Company representatives and additional members from Facility/Maintenance Departments, Engineering, Medical and Tool and Equipment Procurement/Design. The Joint Ergonomics Committee will review employee injuries and illnesses to identify potential ergonomic risks and/or stressors, review ergonomic job analyses, evaluate the status of the facility's prioritized ergonomic-related risks and/or stressors job listing, recommend job improvements and oversee related ergonomics training. At risk jobs that have not been corrected within six (6) months of the ergonomics job analysis will be placed on the agenda of the facility Local Committee on Health & Safety and the action list for those jobs will be forwarded to the International Joint Committee for review.

(4) Job Evaluation

- (i) The Parties will jointly select the method(s) of job analysis based on mutual agreement, such as the ACGIH hand activity level and TLV, 2016 ACGIH Upper Limb Localized Fatigue TLV, Volvo Ergonomics Screening Tool, RHOMERT recovery model for analyzing shoulder stress, NIOSH 1991 lifting model and three dimensional static strength prediction model, UAW Risk Factor Checklist and/or other mutually agreeable risk factor checklists will be included in the tools used to evaluate jobs with potential ergonomic risks and/or stressors. The use of outside contractors to perform job analyses will be considered jointly but will not reduce the duties of the local Health and Safety representative. A joint ergonomic job evaluation will be conducted within two (2) weeks of a OSHA Recordable ergonomic related injury or illness. Additionally, when mutually agreed upon, a joint job analysis will be conducted when an employee reports symptoms of an ergonomic injury,

when the Company becomes aware of an ergonomic risk factor, when an Ergonomics Review Form is submitted and when major machinery and equipment changes are made. Employees performing jobs being analyzed will be asked to provide input on problem aspects of the job and potential corrective measures. Employees performing the job will be notified prior to job changes. Ergonomic job analyses and evaluations of work stations will be conducted, and recommendations for appropriate improvements made by Facility Health and Safety Supervisors, Union Health and Safety Representatives, Alternate Union Health and Safety Representatives, Engineers and others jointly designated by the Ergonomics Committee.

(ii) Ergonomic job evaluations will be entered into a computer database. The database will insure consistent recordkeeping, facilitate tracking of at risk jobs in need of improvement, and provide a convenient method to update evaluations after job changes or ergonomic improvements. Union Health and Safety Representatives and appropriate members of the Ergonomics Committee will have access to the computer system.

(iii) Ergonomic design criteria and checklists will be jointly selected for use in job evaluation and the joint review of new equipment and processes.

(5) Job Improvements

Feasible engineering controls (job redesign) will be implemented as the preferred method to control ergonomic risk factors.

(6) Training

(i) An Ergonomics Awareness Training Program has been developed for all facility employees. This awareness training will be implemented every three (3) years. Employees will have the opportunity to submit recommendations to the Ergonomics Committee for the redesign of workstations and/or work assignments and receive feedback on their recommendations, prior to reconstruction of their area. The Ergonomics Committee will receive additional training including risk factor analysis on the use of the tools.

(ii) In addition to general ergonomics training, appropriate personnel, Industrial Engineers, and the Ergonomics Committee will be trained in job evaluation, design criteria and checklists used for equipment review.

(iii) The International Joint Committee will utilize the consultation of the International Union's ergonomic specialist when they deem it appropriate to aid the Local Ergonomics Committee as a resource.

(f) WORKING ALONE

The Company and Union agree that assigning an employee to work in an isolated location does not in and of itself create an unsafe condition. When such assignments involve work situations potentially hazardous to an employee, such work shall be in accordance with recognized safe work practices. Each Facility

Health and Safety Team will review and list high hazard areas and jobs and develop Safe Operating Procedures (SOP). When an employee is required to work in an isolated area, precautions which might include two-way communication, periodic checks by the supervisor or guard force, adequate support personnel or other means, will be taken to monitor the well being of the employee. Additionally, the Company will exercise caution in the assignment of apprentices who may be less familiar with the hazards associated with certain tasks necessary to be performed in remote or isolated locations. The Company will make certain apprentices are knowledgeable of the potential hazards associated with performing work in these locations before assignment.

(g) **CONFINED SPACE / PERMIT-REQUIRED CONFINED SPACE PROGRAM**

The Company will assure that all work in permit-required confined spaces shall be conducted in accordance with OSHA standards, and may require activities, such as: air sampling, ventilation, communications systems, personal surveillance or adequate support personnel as appropriate to the hazard posed by the permit-required confined space to be entered. The Joint Safety Team at each location will identify all permit-required confined spaces and training will be provided in accordance with regulatory standards.

(h) **NOISE ABATEMENT PROGRAM**

The Company recognizes that noise induced hearing loss is a permanent and irreversible condition that affects the quality of an employee's life. Management is committed to reducing hazardous noise levels (i.e. >85dBA for 8 hour TWA) in the facilities. A comprehensive sound survey will be conducted at each facility where a potential for hazardous noise levels exist. The survey will identify the primary sources of noise and list feasible engineering controls to reduce exposure to an 8 hour TWA exposure level below 85 dBA. The Company will develop and implement a Noise Abatement Program at locations where 8 hour TWA noise levels exceed 85 dBA. The program will include an annual listing of noise reduction projects and specific machinery and equipment affected. The goal of the noise abatement program is to reduce the number of employees required to wear hearing protection as a result of exposures to hazardous levels of noise. The Local Committee on Health & Safety will review the noise abatement program each year. The Company will require suppliers to comply with a 78 dBA 8 hour TWA noise specification, where feasible, for new machinery, equipment and powered tools.

(i) **OUTSIDE CONTRACTOR SAFETY PROGRAM**

The Company will institute an Outside Contractor Safety Program. Management will conduct periodic inspections to ensure compliance. Contractor's found to violate health and safety regulation, Company safety procedures or state and federal standards will be advised and will be expected to implement corrective actions.

(j) **FALL PREVENTION PROGRAM**

The Company and Union will establish a Fall Prevention Program referencing industries' best practices, such as the ANSI Z-359 Fall Protection Code and other recognized standards. The Union Health and Safety Representative will survey employees to identify tasks that involve work at heights. Each task will be documented, prioritized and evaluated to determine feasible engineering controls. The Union Health and Safety Representative will submit a detailed report annually by the conclusion of the 1st quarter, which includes a list of tasks working at height, control measures utilized, and any residual risks identified, with recommendations for enhanced controls. Personal fall protection equipment will be made available when engineering controls are not appropriate to prevent falls. Procedures will be established to inspect, maintain and store personal fall prevention equipment. Affected workers will be trained on the proper use of this equipment and on the proper procedures for working at heights. Both Parties agree that installation of fall prevention systems and personal fall protection systems (anchorage points, harnesses, lanyards and climbing systems) requires special skill and knowledge. As such, employees and/or contractors performing this function will be properly trained and qualified. Management will provide the necessary resources and support to make this program successful.

(k) EMERGENCY EVACUATION TRAINING

The Company will institute an annual training program for Emergency Evacuation Coordinators. Employees will be made aware of evacuation routes and procedures as part of the Safety Talk Program. To familiarize employees, the Company will test warning alarm systems and conduct an emergency evacuation drill on an annual basis.

(l) MACHINING FLUIDS CONTROL PROGRAM

The parties recognize that the Company has made great strides in the past few years in improving the plants' environment in machining areas. To continue this progress the parties agree to review best practices for both large machining cells and stand alone machines. The Company and Union will analyze the results of industrial hygiene sampling surveys of machining areas and develop appropriate engineering controls in continuing attempts to achieve and maintain exposure levels to total particulate mass of 0.5 mg/M³ (TWA) or less. Procedures and equipment proven to be effective in the study to reduce exposure will be utilized when major machine renovations are scheduled. The Company will consider machining fluid exposures when purchasing new equipment.

The Company agrees to work diligently toward the attainment of the current NIOSH Recommendations for "Occupational Exposure to Metalworking Fluids."

(m) UNION AND MANAGEMENT LEADERSHIP HEALTH AND SAFETY MEETING

The parties recognize the importance of leadership involvement in the safety process. As such, the parties agree to include top corporate management (or designee), top members of the International Union (or designee), the Local Unions' President, Chairpersons and Safety Representative and Company

leadership in one joint meeting during the term of the contract. **The International Joint Committee will be responsible for setting the agenda, location and date of the meeting.** The goal of the meeting will be to review the status of the Company's health and safety program, compliance with contract provisions, and program implementation at each facility.

(n) PREVENTIVE MAINTENANCE

The Company has established a Preventive Maintenance Program at all facilities. An important element of the Company's preventive maintenance program is to conduct regularly- scheduled preventive maintenance on safety-related items such as, but not limited to eye washes and showers, hazardous waste systems, safety devices, cranes and hoists, lifting devices, assembly line drive units, and powered material handling equipment. Members of the Local Committee on Health & Safety will periodically review the program and have access to all associated records.

The Company recognizes the importance of ventilation systems to maintain a safe and healthy environment, control air contaminants and reduce the risk of fires and explosions. Preventive maintenance programs will be implemented to insure that plant ventilation systems operate properly.

Any proposed change to the frequency of a safety related preventative maintenance task, on any piece of equipment must be reviewed and discussed with the Facility Health and Safety Team prior to implementation of the change.

(o) MEDICAL SERVICES

The Company will provide professional, quality medical care for each facility. The Local Committees on Health & Safety will conduct an annual survey of employees to evaluate medical services. The results of the survey will be reviewed with the appropriate medical management staff and posted in the plant. In addition, the results from the medical survey will be forwarded to the International Joint Committee for review.

When a second or third shift operation would occur at any facility, the Company and Union will meet to discuss and study the feasibility of having a nurse **or EMT** staffed in the Medical Department. This will also apply to Saturdays, Sundays and Holidays when employees are scheduled to work.

The Company will work towards providing sufficient MERT (Medical Emergency Response Team) coverage on all shifts. MERT will be equipped with radios, **or other effective means (approved by the local Joint Health and Safety Team)**, for communication, special ID badges, paid training and other necessary equipment. There will be special emphasis on the second and third shifts to recruit new members who will be offered flexible training opportunities and shift meetings to accommodate schedules. Each location will develop and implement a procedure to identify MERT members in the facility on each shift. MERT members will be properly trained and certified as required.

Members shall attend or be afforded an opportunity to attend regularly scheduled training in order to maintain such certification. Every effort will be made to ensure that training is included in the annual training plan for each individual. Such training will be scheduled with enough notice to provide ample opportunity to work around production schedules.

- (p) There shall be a properly trained Industrial Emergency Spill Response (IER) Team where required, and/or as deemed necessary by the Joint Health and Safety Team. Training shall include annual refresher training. Members shall be afforded an opportunity to attend all required training in order to maintain certification in accordance with their duties and/or level of responsibility.

(q) Powered Industrial Vehicle Operation and Pedestrian Safety

The parties agree to comply with OSHA regulatory requirements regarding powered industrial vehicle operation and pedestrian safety.

In addition, with the requirements above, the parties agree that the use of any device to listen to or view any audio and/or video content increases the exposure risk for potential serious injuries or fatalities (SIF) while operating a powered industrial vehicle. As such, the use of these devices is prohibited while operating a powered industrial vehicle.

This will apply to all employees, visitors and contractors who are walking in pedestrian aisle ways where powered industrial vehicles are present.

ARTICLE 22 - PENSION PLAN

The Parties have provided for a Pension Plan by Supplemental Agreement, which is attached hereto as Appendix A and made a part of this Agreement as if set out in full herein.

No matter respecting the provisions of the Pension Plan shall be subject to the grievance procedure established in this Agreement, except as expressly provided for in the Pension Plan.

ARTICLE 23 - INSURANCE PROGRAM

The Parties have provided for an Insurance Program by Supplemental Agreement, which is attached hereto as Appendix B and made a part of this Agreement as if set out in full herein.

No matter respecting the provisions of the Insurance Program shall be subject to the grievance procedure established in this Agreement, except as expressly provided for in the Insurance Program.

ARTICLE 24 - SUPPLEMENTAL UNEMPLOYMENT BENEFITS PLAN AND SEVERANCE PAY PLAN

The Parties have provided for a Supplemental Unemployment Benefits Plan by Supplemental Agreement, which is attached hereto as Appendices and made a part of this Agreement as if set out in full herein.

ARTICLE 25 - TRANSFER TO OTHER FACILITIES

The understanding of the Parties concerning transfers to other facilities is set forth in Appendix D attached hereto and made a part hereof.

ARTICLE 26 - NO DISCRIMINATION

SECTION 1

With regard to employees covered by this Agreement, the Company and the Union agree that they will not unlawfully discriminate in any employment decisions, including but not limited to the recruitment, hiring, compensation, training and apprenticeship, promotion, upgrading, demotion, downgrading, transfer, layoff, discipline and termination, and all other terms and conditions of employment because of race, color, sex, gender, creed, religion, national origin, political affiliation, union affiliation, age, affectional or sexual orientation, gender identity or expression, marital status, disability, veteran status, citizenship status, genetic information or any other characteristic protected by federal or applicable state law.

SECTION 2

The Parties shall jointly work together to encourage all employees to use the established grievance procedure as the preferred remedy to handle claims of alleged discrimination.

SECTION 3

Whenever reference in this Agreement is made to the male gender, it shall apply equally to any gender.

ARTICLE 27 - JOB SECURITY

SECTION 77

- (a) No outsourcing of operations currently performed by the Office, Parts Distribution Center, Engineering or Shop bargaining units will occur during the term of this Agreement, with the following exceptions:
- (1) The periodic purchase of certain parts and services of a nature and to the extent currently acquired from outside vendors on a temporary "as needed" basis due to capacity or production breakdowns which will not have a negative impact on employment at any of the Company plant facilities. When it becomes necessary to temporarily outsource operations on an "as needed" basis, management will make available the pertinent information to the Union when the need becomes known.
 - (i) When it becomes necessary to invoke this temporary outsource provision for breakdowns, the Company will diligently pursue every approach to correct the cause that gave rise to the need to temporarily outsource and do so in a manner that will return such work as soon as possible.
 - (ii) Work temporarily outsourced, for capacity reasons, will be returned to the appropriate bargaining unit when the conditions that gave rise to the need to outsource no longer exist.
 - (2) Sourcing decisions made utilizing the sourcing procedures set forth in Exhibits 2 and 3.
 - (i) National Sourcing Committee approval will be needed (with the exception of (ii), (iii) and (iv) below) if there is no agreement at the Local Sourcing Committee level or the sourcing decision in question impacts another bargaining unit covered by the Master Agreement.
 - (ii) National Sourcing Committee approval will not be needed if no employees will be laid-off as a direct result of the sourcing decision.
 - (iii) National Sourcing Committee approval will not be needed if employees who were hired on or after March 25, 2013 who are laid-off as a direct result of the sourcing decision are provided SUB and Hospital/Surgical/Medical/Rx Drugs/Dental benefits for up to fifty-two (52) weeks or their length of service, whichever is shorter.
 - (iv) National Sourcing Committee approval will not be needed if employees who were hired before March 25, 2013 who are laid-off as a direct result of the sourcing decision are provided:

- (aa) if on voluntary layoff, SUB and Hospital/Surgical/Medi-cal/Rx Drugs/Dental benefits for the duration of their layoff or two (2) years, whichever is shorter; or
 - (bb) if on any other form of layoff, SUB benefits for the duration of their layoff or three (3) years, whichever is shorter, and Hospital/Surgical/Medi-cal/Rx Drugs/ Dental benefits for the duration of their layoff or an additional fifty-two (52) weeks, whichever is shorter.
- (v) The following provisions shall apply as pertains to layoffs as a direct result of a sourcing decision, as referenced in (ii), (iii), and (iv) above.
- (aa) If there is to be a layoff as the direct result of a sourcing decision, voluntary layoffs shall first be solicited utilizing the canvassing procedure set forth in the appropriate Local Supplemental Agreement. If not enough volunteers are obtained via the voluntary layoff procedure, then the remainder of the required manpower reductions shall be obtained by Involuntary layoffs per the language in the appropriate Local Supplemental Agreement.
 - (bb) An employee who volunteers for layoff under (aa) above must remain on layoff for one (1) year, unless recalled earlier. After one year of layoff, there shall be another solicitation of employees for voluntary layoff utilizing the canvassing procedure set forth in the appropriate Local Supplemental Agreement (the initial volunteer is eligible to volunteer again). The successful volunteer must remain on layoff for one (1) year at which point they will be recalled, unless recalled earlier. After completion of the two one-year terms of voluntary layoff, employee(s) will be involuntarily laid-off per the language in the appropriate Local Supplemental Agreement and be entitled to up to fifty- two (52) weeks of the appropriate benefits.
 - (cc) If an employee is laid-off as the direct result of a sourcing decision and then recalled to work, and subsequently laid-off within nine (9) months of the date of recall, they shall be considered to be on layoff as the direct result of a sourcing decision and shall be entitled to the balance of their benefits from their initial layoff period, if any.
 - (dd) If a sourcing decision occurs with no associated layoff, and a subsequent layoff occurs within six (6) months of the sourcing event, an amount of employees who are laid-off equal to the

amount of jobs impacted by the sourcing decision shall be considered to be on layoff as a direct result of sourcing.

(3) Supplemental Sourcing agreements provided in: Local 677 Macungie Shop, Outsourcing Agreement, Letter #3, Macungie Cab Paint Agreement.

(4) Work outsourced pursuant to any agreement reached under the provisions of Letter #9 (Insourcing Opportunities).

(b)

(1) Should the Company decide to transfer bargaining unit work from one facility covered by the Master Agreement to another facility covered by the Master Agreement, the Company will provide ninety (90) days' advance written notice to the Union should the transfer result in a partial facility closure, or nine (9) months' advance written notice to the Union should the transfer result in a complete facility closure, in order to afford the Parties adequate time to discuss the applicability of Appendix D to the transfer. In circumstances where business conditions necessitate a more rapid transfer of the work, the Company and the Union may discuss an expedited transfer timeframe. The Parties agree to meet, however, during the life of this Agreement, as requested by either Party, to discuss and exchange pertinent information on contemplated transfer decisions in an effort to assure high quality and economically viable work for bargaining unit employees.

(2) In the event of a complete facility closure, after the effects bargaining, any employee who is not afforded the opportunity to transfer or does not accept any options that may be offered through the effects bargaining, shall be considered to be on layoff as the direct result of sourcing and receive SUB and Hospital/Surgical/Medical/Rx Drugs/Dental benefits per Section 77(a)(2)(iii) and (iv-bb).

(c) The Company will not close during the life of this Agreement any facilities at which work is being performed by UAW bargaining unit employees, with the exception of facility closures under the terms of (b) above.

It is understood that conditions beyond the control of the Company, e.g. act of God, may arise which could affect the Company's ability to comply with this Section. Should such conditions occur, the Company will discuss the situation with the Union before taking any action.

SECTION 78 SKILLED TRADES / MAINTENANCE CONTRACTING

(a) The Company will fully utilize its seniority employees in the skilled trades / maintenance / general maintenance classifications in the performance of

maintenance and construction work and in the fabrication of tools, dies, jigs and fixtures normally and historically performed by them.

- (b) Notwithstanding the above, Hagerstown, Macungie, and Middletown have developed lists of specific skilled trades/ maintenance/ general maintenance work within their local supplemental agreements that shall be exempt from the provisions of this Section.
- (c) Nothing contained herein shall affect the right of the Company to continue arrangements currently in effect, nor shall the fulfillment of warranty obligations by vendors or the work which a vendor must perform to prove out equipment be limited. In situations where a warranty is involved or any lease contracts are involved, the Company will provide the Union with a complete copy of the warranty, contract and / or any lease contracts where applicable.
- (d) Nothing contained herein shall be interpreted so as to limit the expansion of work regularly and customarily performed by said employees, but rather to provide an opportunity to expand and establish new levels of competence and operational effectiveness within the skilled trades and maintenance classifications.
- (e) Through the application of (a) above, the term "fully utilize" shall be interpreted to mean that prior to any work being contracted out, the Company shall first utilize the employees in the skilled trades / maintenance / general maintenance classifications, consistent with skill levels, manpower requirements and competitiveness for the considered work. Furthermore, the term "fully utilize" shall also be interpreted to mean that the Company will not layoff or excess any skilled trades / maintenance / general maintenance employee, journeyman or apprentice with 3 or more years of training from the affected classification(s) as the direct result of the contracted work, or be required to recall from layoff any laid-off employee if the term of the contracted work is less than two days.
- (f) Following the aforementioned requirements of (e) above, should it remain necessary for the Company to employ the services of an outside contractor(s), it will on each of the day or days the outside contractor(s) is performing either skilled trades, maintenance or general maintenance work, assign the number of employees necessary in the affected classification(s) an amount of overtime hours equal to the total number of hours the outside contractor(s) is performing or has performed either skilled trades, maintenance or general maintenance work. The Company shall determine the number of employees to whom the overtime hours shall be allocated. (For example, if an outside contractor(s) performs 24 hours of either skilled trades, maintenance or general maintenance work, the Company may work six employees in the affected classification(s) four hours of overtime, four employees six hours of overtime, or any other combination thereof that equals 24 total hours of overtime).
- (g) In no event shall any seniority employee be laid off as a result of work being performed by any outside contractor on, within, or outside the facility.
- (h) Consistent with the provisions of this Section, the Company agrees that should a subcontract be required, it will be temporary in nature and will not have a negative impact on employment.

- (i) When the contracting of work is being considered, the Company shall withhold taking action, in order to provide the Union a reasonable opportunity for discussion of the matter.
- (j) A "reasonable opportunity" for the Union discussion shall mean a period fixed by written notice to the Union of not less than ten (10) working days, unless an emergency should arise.
- (k) After receipt of notification in (j) above, the parties will meet and discuss why management is contemplating contracting out the work. The Union will be entitled to include as participants in the meeting an employee of the affected craft. The parties will discuss the reasons, which include: equipment, manpower, skills and time constraints. During the meeting, the Company will provide to the Union a copy of the proposed contract submitted for bid consideration including the contractor's warranty and the contractor's proposed start and end date. Following the meeting, the Company will provide to the Union a completed version of form WWW27 describing what was discussed and/or agreed upon.
- (l) It is understood that the provisions of this Section shall be applicable to facilities leased by the Company unless the Company provides to the Union a complete copy of the lease agreement / contract between itself and the Lessor which identifies specifically the Lessor's total responsibilities for repairs, maintenance and or construction work on the leased facilities. Any of the aforementioned work not identified in the lease agreement as the Lessor's responsibility will be subject to the provision of this Section.
- (m) For the purpose of this Section, the Parties agree that:
 - 1) The term outsourcing does not apply to the skilled trades, maintenance, or general maintenance classifications; and
 - 2) The terms subcontracting, outside contracting, and contracting as used herein are synonymous and are the only terms the Parties will apply with regard to the provisions of this Section.

SECTION 79 ENGINEERING CONTRACTING

- (a) It is the policy of the Company to use its own employees as much as possible in the performance of work covered by this agreement consistent with such considerations as efficiency, economy, quality, governmental, customer or time requirements and with regard for the interests of affected employees.
- (b) In no event shall any seniority employee who customarily performs the work in question be laid off as a direct and immediate result of work being performed by any outside contractor on or within the Engineering facility.

- (c) The Company agrees that should such subcontracting be required, it will be temporary in nature and will not have a negative impact on employment.
- (d) Problems arising out of implementation of the foregoing policy shall be handled in accordance with Section 80 below.

SECTION 80

- A. The parties agree that all work normally and customarily performed by qualified Engineering Group employees which is performed outside of the Engineering facilities by non-Engineering Group employees will be considered an outsource and will be controlled by Section 77 of Article 27.
- B. The parties agree that all work which is performed "in house", that is, on or within any of the Engineering facilities, will be considered an "outside contract" and subject to the terms of Sections 79, 80, 81, and 82 of this Article. Should the Company bring an outside contractor to work within any engineering facility it may do so provided that:
 - 1. All laid off employees within affected classifications are recalled,
 - 2. No engineering group employees within the affected classifications will be laid off as the result of the outside contracting,
 - 3. All bargaining unit employees in the affected classifications will be offered a reasonable amount of overtime during the entire period an outside contractor is on or within the facility,
 - 4. Recognized local practices relating to outside contacting shall continue.

SECTION 81

- (a) The matters covered by Sections 80 and 81, to the extent applicable shall be carried out through discussion with the President of the Local Union, Engineering / Office Chairperson, and the appropriate Committeeperson(s) and a designated representative(s) of the Company.
- (b) Meeting shall be held, only when requested by the Union, when problems related to this Article arise at a time and place arranged by the Union.
- (c) Where the Union concludes that non-confidential Company data is necessary and relevant to the discussions, the Company shall make such data available to the Union upon its request.

SECTION 82

It is expressly understood that the question of the Company's compliance with the provisions of Section 78, 79, 80 and 81 above shall be subject to the grievance and

arbitration procedures under Article 5 of the Master Agreement and local Supplemental Agreement(s).

ARTICLE 28 - GENERAL

SECTION 83 SEPARABILITY

If any part of this Master Agreement or its Local Supplemental Agreements is held invalid due to existing or future federal or state legislation, the remainder of this Master Agreement and its Local Supplemental Agreements shall not be affected thereby.

SECTION 84 JURY DUTY / WITNESS SERVICE

(a) Any employee who has completed his probationary period and is subpoenaed and reports for jury duty or witness service in a court of record, including that performed on the employee's behalf, or who reports for pre-jury duty examination by the court or administrative governmental agency shall be eligible for jury / witness pay except that absences resulting from:

(1) witness service resulting from another employer, or

(2) attendance in court or a hearing before a Judge or Magistrate or other civil office on his own behalf or on behalf of a minor child in cases involving motor vehicle violations, child support, child custody, adoption, foster care, marital separation / divorce proceedings or arrests for breaking the law do not qualify the employee for jury duty/witness service pay regardless of a Subpoena, Summons or Show Cause Order for such attendance.

(b) The Company's payment for such eligible duty, when added to the daily jury or witness fee (excluding expense and transportation allowances) paid by the court or agency and wages, if any, earned by the employee from the Company for that day, shall equal the amount of wages (excluding shift premium but including the cost-of-living allowance) the employee otherwise would have earned by working during straight time hours for the Company on that day. The amount shall be computed based upon the straight time wage rate paid at the time of service for each day partially or wholly spent in performing such duty if the employee otherwise would have been scheduled to work for the Company and does not work.

(c) In order to receive payment under this Section, an employee must give the Company prior notice and documentation indicating that such employee has been summoned or subpoenaed for such required attendance and must furnish

satisfactory evidence that said duty or witness service was performed on the days for which the employee claims such payment.

- (d) An employee's absence due to a subpoena, summons or a show cause order will be deemed to be an excused absence only if the above documentation requirements are fulfilled and timely presented to the Company and where the employee's failure to appear on the requested date could result in contempt of court, arrest, criminal charges, fines or imprisonment of the employee.

SECTION 85 BEREAVEMENT

- (a) (1) Five (5) Day Bereavement: When death occurs in the employee's immediate family: employee's spouse, parent, child, stepchild or stepparent (who raised and supported the employee), the employee shall be excused for up to five (5) consecutive normally scheduled work days (excluding Saturdays, Sundays, holidays and vacation of one week or less).
- (2) Three (3) Day Bereavement: When death occurs in the employee's family: brother, sister, stepbrother, stepsister, grandparent, great grandparent grandchild, parent of current spouse, stepparent of current spouse, grandparent of current spouse, the employee shall be excused for up to three (3) consecutive normally scheduled work days (excluding Saturdays, Sundays, holidays and vacation of one week or less).
- (3) In order to be eligible to receive pay for excused bereavement days as provided in paragraphs (1) and (2) above, the employee will notify the company of the desired days to be taken off. **In those circumstances where the funeral or memorial service of an immediate family member is postponed or delayed, the Company will permit the employee to split the eligible bereavement period into two separate and distinct periods; one immediately following the date of death and the other inclusive of the date of the funeral or memorial service.**
- (b) If an employee works overtime on a weekend during a bereavement period, the employee shall receive no subsequent bereavement leave (excluding the use of (a)(3) above or (f) below).
- (c) The employee shall receive pay for any excused scheduled days of work (excluding Saturdays and Sundays, or, in the case of seven day operations, the sixth and seventh days of the employee's scheduled workweek) provided the employee attends the funeral.
- (d) Payment for each day of bereavement shall be made at the employee's regular straight time hourly rate excluding night shift premium, overtime, and premium pay

on the last day worked. Time thus paid will not be counted as hours worked for purposes of overtime.

- (e) If the death occurs during a scheduled vacation of one (1) week or less, the employee shall have the option to receive pay in lieu of the vacation or to take the vacation at a later date. If the death occurs during a period of time off of greater than one (1) week (such as a period of vacation, shutdown, down weeks, Christmas shutdown or a combination thereof), the employee shall be paid for the bereavement period in lieu of taking the time off at a later date.
- (f) In the event a member of the employee's immediate family, as herein defined, dies while in the active service of the United States, the employee may, should the funeral be delayed, postpone the use of one day of the bereavement period of up to three (3) or five (5) days, as the case may be, to permit him to attend the funeral.
- (g) In the event the remains of a member of the employee's immediate family, as herein defined, is not buried in continental North America solely because the circumstances of the death has resulted in the physical destruction of the body or the body has been donated to an accredited North American hospital or medical center for research purposes, the requirement that the employee attend the funeral will be waived.

SECTION 86 TUITION REFUND

- (a) The Company offers and administers a tuition refund program under which employees having seniority and in active service, who satisfactorily complete after hour courses, approved by the Company at appropriate educational institutions, receive the full amount of the tuition, books and fees paid (less tax deductions), up to a total calendar year limit of \$7,500, upon satisfactorily completing the approved course. The processing of the tuition request shall not be unduly delayed at the originating facility and such approval or disapproval of the request shall be made by the Corporate Labor Relations Department. The subsequent layoff of the employee who has previously received the Company's initial written approval of the course or who has commenced the approved course will not affect the reimbursement of the course, if otherwise eligible.
- (b) The educational institution may be any accredited college, university, correspondence school, secondary school, business, trade or vocational school.
- (c) Courses selected by the employee under this Plan will be considered acceptable if they meet one or more of the following conditions:
 - 1. They are job-related -- that is, they will tend to improve the employee's performance on the current job; or

2. They are a part of a curriculum leading to a degree in a field which is job-related; or
 3. They will help prepare the employee for future assignments with the Company for which the employee might reasonably be expected to qualify; or
 4. They are courses taken to complete the requirements for a grammar school certificate or high school diploma; or
 5. They are basic education courses designed to provide an elementary level of competency in reading, writing and mathematical skills; or
 6. They are courses of instruction directed towards qualifying an employee as an apprentice in Company-related skilled trades.
- (d) The Company has also agreed to provide a Tuition Reimbursement Program for laid off employees which will provide a maximum of one thousand five hundred dollars (\$1,500) per year for trade, business, or vocational school training. Employees will qualify for this tuition reimbursement based on the criteria established above. However, tuition reimbursement will be permitted for any reasonable vocational or technical purpose, subject to Company approval, on a case-by-case basis.
- (e) The Parties have expressed a joint commitment to contact the educational, vocational or technical institutions referenced above in an effort to develop a deferred tuition payment plan. Payment of tuition and fees to the institution will, however, continue to be the employee's responsibility with reimbursement to the employee after successful completion of the course.

SECTION 87 EROSION OF BARGAINING UNIT

The Company will not reassign bargaining unit work unreasonably, arbitrarily or capriciously so as to erode any bargaining unit covered by this Master Agreement. Any claim or grievance by the Union alleging the reassignment of bargaining work so as to erode any bargaining unit covered by this Master Agreement shall be taken up directly with the designated representative at the facility where the claim or grievance arises, and the parties shall attempt to resolve the issue.

If such claim or grievance is not satisfactorily settled or withdrawn by the Union, the matter shall be referred to the review step for disposition in accordance with Article 5 of the Master Agreement.

If the parties at the review step are unable to resolve such claim or grievance, the matter may be submitted to arbitration. If the arbitrator determines that the Company

has reassigned bargaining work in violation of the first paragraph above, the arbitrator shall be empowered to direct that the work be returned to the bargaining unit. The arbitrator shall not, however, be empowered to assign to the bargaining unit any work which has not been conclusively demonstrated as previously being performed by bargaining unit personnel.

SECTION 88 JOINT EDUCATION AND TRAINING COMMITTEE

In an effort to develop and maintain appropriate training and educational programs, the parties agree to continue programs and practices as defined in local contracts.

SECTION 89 PHYSICAL EXAMINATIONS

Employees on the second and third shifts who are required to take physical examinations shall be compensated for time so spent, provided they appear for such physical examination at the time specified by the Company and provided, further, that such compensated hours shall not be utilized in any manner for overtime premium purposes.

SECTION 90 NON-FELONIOUS INCARCERATION

In the event an employee is detained in a jail on any non-felonious charge, the employee shall not be automatically discharged by reason thereof, but the employee's case shall be reviewed on its merits taking into consideration all the circumstances, to determine whether or not a leave of absence for the period of detention shall be granted.

SECTION 91 COMPANY RULE CONFLICT

In the event that the Company's rule books or other rules conflict with the provisions of this contract, this contract shall control.

SECTION 92 EMPLOYEE ORIENTATION

The parties agree to continue and expand the Employee Orientation Program which is to be developed and administered jointly. When such program is shown to new employees, the Union will be afforded the opportunity to participate in its presentation by having one of its existing paid Union representatives present. Such presentation will not be on Company time.

SECTION 93 SUPPORT FOR LOCAL EFFORTS TO COMBAT ALCOHOL AND DRUG ABUSE

The Parties agree that the problems of alcohol and drug abuse are being handled in various ways at each of the operations covered by this Master Agreement and each

such local program was found to be substantially effective. It is mutually agreed that such programs shall be continued during the term of this agreement.

SECTION 94

Additional specific provisions of a general nature are contained in the respective Local Supplemental Agreements.

ARTICLE 29 - POSTING CONTRACT

Management will promptly provide a sufficient number of printed copies of the Master Agreement to each of the Local Unions covered by this Agreement for distribution to each represented employee. The Parties will jointly proof read the Agreement prior to printing to assure accuracy.

ARTICLE 30 - SUCCESSORS

This Agreement shall be binding upon the employer's successors, assigns, purchasers, or transferees whether such succession, assignment or transfer be affected voluntarily or by operation of law; and in the event of the employer's merger or consolidation with another company or companies, this Agreement shall be binding upon the merged or consolidated company.

The employer further agrees to make a condition of any sale, merger, reorganization, transfer or assignment that the buyer or transferee will assume the existing collective bargaining agreement as a condition of such sale, transfer or assignment. The Parties further agree that in the event of Article 30 any dispute regarding the application of this language, the employer will agree to expedite arbitration such that a final and binding award can be rendered prior to any such sale, merger, reorganization or transfer.

ARTICLE 31 - DURATION

SECTION 95

Except as otherwise provided for in this Master Agreement or in the various Local Supplements, the effective date of these Agreements shall be the 25th day of October 2019. This Master Agreement and its Local Supplemental Agreements shall continue in full force and effect until 11:59 p.m., October 1, 2023.

These Agreements shall continue in effect for successive yearly periods after October 1, 2023, unless notice is given in writing by either Party not less than sixty (60) days prior to October 1, 2023, or any one (1) year anniversary date thereafter, of its desire to modify, amend or terminate these agreements. If such notice is given by either Party, this Agreement shall be open for modification, amendment or termination, as such notice may indicate during the sixty (60) days prior to October 1, 2023, or the

subsequent one (1) year anniversary date, as the case may be. Upon receipt by either Party of the written notice provided for above, the Parties shall promptly arrange a mutually agreed upon date to commence negotiations pursuant to any such written notice. Written proposed changes with respect to the Master Agreement and Local Supplemental Agreements shall be given by either Party on the date of the commencement of those negotiations.

SECTION 96 CONDUCT OF NEGOTIATIONS

Negotiations pursuant to Section 95 above shall be conducted in accordance with the applicable provisions of Subsections (a), (b) and (c) below and any new agreements between the Parties resulting therefrom shall not be binding or effective unless reduced to writing and signed by the Parties designated in Subsections (a), (b) and (c) below.

(a) Master Agreement

Amendments to this Master Agreement or new agreements affecting same or adding to same shall be negotiated by the Top Negotiating Committee of the UAW Mack Truck Council, International representatives of the Union and representatives of the Company, and shall be signed by the Corporate Director of Employee and Labor Relations of the Company, the members of the Top Negotiating Committee of the Council, and the Director of the UAW Mack Truck Department.

(b) Local Supplements

With respect to Local Supplemental Agreement issues negotiated locally in accordance with the provisions of Section 95 of this Article, resulting modifications in such Local Supplemental Agreements or any negotiated by the respective Local Union representatives who are members of the Top Negotiating Committee of the Council (who may have the assistance of International representatives of the Union) and representatives of the Company, and shall be signed by the Company's local Human Resources Manager and such Local Union representatives.

(c) Unsettled Issues of Local Supplemental Agreements With respect to any Local Supplemental Agreement issues which are not settled through local negotiations and which, therefore, are negotiated jointly along with the Master Agreement issues in accordance with the provisions of Section 95 of this Article, resulting modifications in such Local Supplemental Agreements or new agreements affecting same or adding to same shall be negotiated and executed in accordance with (a) above.

SECTION 97 MODIFICATION OF MASTER AGREEMENT DURING LIFE OF AGREEMENT

- a) The Parties acknowledge that during the negotiations which resulted in this Agreement, each had the unlimited right and opportunity to make demands and proposals with respect to any subject or matter not removed by law from the area

of collective bargaining, and that the understandings and agreements arrived at by the parties after the exercise of that right and opportunity are set forth in this Agreement. Therefore, the Company and the Union, for the life of this Agreement, each voluntarily and unqualifiedly waives the right and each agrees that the other shall not be obligated to bargain collectively with respect to any subject or matter "not specifically" referred to, or covered in this Agreement, even though such subject or matter may not have been within the knowledge or contemplation of either or both of the Parties at the time that they negotiated or signed this Agreement.

- b) This Agreement contains the entire understanding, undertaking, and agreement of the Company and the Union, after exercise of the right and opportunity referred to in the first sentence of Section 1 above, and finally determines and settles all matters of collective bargaining between the parties for its term. Any changes to this Agreement or any changes to any other terms and conditions of employment not covered or contemplated by this Agreement during its term, whether by addition, waiver, deletion, amendment, or modification, must be reduced to writing and executed by the Company's Corporate Director, Employee and Labor Relations and the designated International Representative to be enforceable.
- c) The waiver of any breach, term or condition of any of the provisions of this Agreement by either Party does not constitute a precedent or past practice for any future waiver or enforcement of such breach.
- d) The above provisions shall not restrict the Parties from addressing operational issues on a non-precedent setting basis as provided for in Letter of Agreement #15 or from addressing Insourcing Opportunities as provided for in Letter of Agreement #7.

SECTION 98 MODIFICATION OF LOCAL SUPPLEMENTAL AGREEMENTS DURING LIFE OF AGREEMENT

Modifications in the Local Supplemental Agreements or new agreements affecting or adding to same, other than those referred to in (b) and (c) in Section 976 above, and which occur during the term of such Local Supplemental Agreements, shall be negotiated by the respective Local Union Committee and respective Local facility management representatives, and shall be signed by the Company's local Human Resources Manager and the members of the respective Local Union Committee. This provision shall not restrict the Parties from addressing operational issues on a non-precedent setting basis as provided for in Letter of Agreement #15 or from addressing Insourcing Opportunities as provided for in Letter of Agreement #7.

ARTICLE 32 - PROFIT SHARING PLAN

The understanding of the Parties concerning the Profit Sharing Plan is set forth in Appendix "E" attached hereto and made a part hereof.

ARTICLE 33 - LEGAL SERVICES PLAN

The understanding of the Parties concerning the Mack Legal Services Plan is set forth in Appendix F attached hereto and made a part hereof. No matter respecting the provisions of the Legal Services Plan shall be subject to the grievance procedure established in this Agreement, except as expressly provided for in the Legal Services Plan.

ARTICLE 34 – 401(k) Plan

The understanding of the Parties concerning the Mack-UAW 401(k)Plan is set forth in Appendix "G" attached hereto and made a part hereof.

EXHIBIT "1"

AUTHORIZATION FOR CHECK-OFF OF DUES

(Does not apply to the Jacksonville Units. For those Units, see Exhibit "1-A").

TO: Mack Trucks, Inc.

I hereby assign to Local Union No._____, International Union, United Automobile, Aerospace and Agricultural Implement Workers of America (UAW), from any wages earned or to be earned by me, any Settlement Bonus, any payments made under the Profit Sharing Plan, any regular benefits paid under the Supplemental Unemployment Benefits Plan or any back pay awards for time lost from work as a result of a disciplinary suspension or discharge (hereinafter referred to collectively as "pay"), in each case as your employee (in my present or in any future employment by you) such sums as the Financial Officer of said Local Union No._____, may certify as due and owing from me as membership dues, including an initiation or reinstatement fee and monthly dues in such sum as may be established from time to time as union dues in accordance with the Constitution of the International Union, UAW. I authorize and direct you to deduct such amounts from my pay, and to remit same to the Union at such times and in such manner as may be agreed upon between you and the Union at any time while this authorization is in effect. This assignment, authorization and direction shall be irrevocable for the period of one (1) year from the date of delivery hereof to you, or until the termination of the collective agreement between the Company and the Union which is in force at the time of delivery of this authorization, whichever occurs sooner; and I agree and direct that this assignment, authorization and direction shall be automatically renewed, and shall be irrevocable for successive periods of one (1) year each or for the period of each succeeding applicable collective agreement between the Company and the Union, whichever shall be shorter, unless written notice is given by me to the Company and the Union, not more than twenty (20) days and not less than ten (10) days prior to the expiration of each period of one (1) year, or of each applicable collective agreement between the Company and the Union, whichever occurs sooner.

This authorization is made pursuant to the provisions of Section 302 (c) of the Labor Management Relations Act of 1947 and otherwise.

Contributions or gifts to the UAW are not deductible as charitable contributions for Federal Income Tax purposes.

(Signature of Employee Here)

(Address of Employee)

(Type or print name of employee here)

(City) (State) (Zip Code)

(Employee's Badge No.)

EXHIBIT "1-A"

AUTHORIZATION FOR CHECK-OFF OF DUES

(Applies to the Jacksonville Units.)

TO: Mack Trucks, Inc.

I hereby assign to Local Union No._____, International Union, United Automobile, Aerospace and Agricultural Implement Workers of America (UAW), from any wages earned or to be earned by me, any Settlement Bonus, any payments made under the Profit Sharing Plan, any regular benefits paid under the Supplemental Unemployment Benefits Plan or any back pay awards for time lost from work as a result of a disciplinary suspension or discharge (hereinafter referred to collectively as "pay"), in each case as your employee (in my present or in any future employment by you) such sums as the Financial Officer of said Local Union No._____, may certify as due and owing from me as membership dues, including an initiation or reinstatement fee and monthly dues in such sum as may be established from time to time as union dues in accordance with the Constitution of the International Union, UAW. I authorize and direct you to deduct such amounts from my pay, and to remit same to the Union at such times and in such manner as may be agreed upon between you and the Union at any time while this authorization is in effect. This assignment, authorization and direction may be revoked at any time.

This authorization is made pursuant to the provisions of Section 302 (c) of the Labor Management Relations Act of 1947 and otherwise.

Contributions or gifts to the UAW are not deductible as charitable contributions for Federal Income Tax purposes.

(Signature of Employee Here)

(Address of Employee)

(Type or print name of employee here)

(City) (State) (Zip Code)

(Employee's Badge No.)

Exhibit #2 – Sourcing Procedure

- (a) At the time the Company decides to conduct a formal study of a matter that may be subject to the Sourcing Process the affected UAW Sourcing Committee will be advised of the study.

- (b) At the time the study is completed it will be provided to the UAW Sourcing Committee. Completed formal studies of matters that may be a subject of the Sourcing Process will contain all of the relevant data considered by Management in arriving at a decision. Generally, the relevant information provided will include, as applicable, material, labor, capital requirements, tooling costs, and warranty considerations. Reasonable requests for additional information will be provided in a timely manner.
- (c) Within two weeks of the receipt of the study, the Local Sourcing Committee will provide a response to the sourcing question.
- (d) In the event the UAW Sourcing Committee has a matter they wish to have considered in the Sourcing Process; the matter will be presented to the Management Sourcing Representative and considered for study. In the event management does not believe the matter warrants an expenditure of resources for a complete study the UAW Sourcing Committee will be advised in writing, within six (6) weeks. At the time management determines a study to be viable, the union will be provided an estimated time for completion. In the event the UAW Local Chairperson wishes to pursue the matter further, the available venue to address the matter is with the UAW Mack Department Administrative Assistant.
- (e) The facility Human Resource Manager is the responsible party to assure the Sourcing Process as described herein and the language of Article 27, Section 77 (a) is not violated.
- (f) The UAW Mack Department Administrative Assistant and the Mack Trucks Director Employee and Labor Relations are committed to holding sessions with a frequency sufficient to assure expedient resolution of the matters for which they are responsible. Unresolved issues will be referred to the National Sourcing Committee.
- (g) Certain sourcing matters will be solely within the purview of the UAW Mack Department Administrative Assistant and the Mack Director Employee and Labor Relations. Unresolved issues or issues involving more than one facility will be referred to the National Sourcing Committee.
- (h) This process should allow the Local UAW Sourcing Committee to become involved in value added activities to improve operations.

The National Sourcing Committee's approval is needed to outsource any proposal in dispute.

Exhibit #3

SOURCING

A. NATIONAL SOURCING COMMITTEE

1. UAW – 2 representatives from UAW International – Mack Trucks Department and Macungie and Hagerstown Shop Chairpersons and Presidents.
2. Mack Trucks, Inc. – Director, Employee & Labor Relations and four (4) Company representatives appointed by him.
3. In the event a matter comes before the National Sourcing Committee from a bargaining unit that is not normally represented on the committee, an active employee from the bargaining unit in question would be appointed by the Director of the UAW-Mack Trucks Department to join the National Sourcing Committee on an ad hoc basis in its consideration of the matter. Likewise, the Company will appoint an individual from the location in question to join the National Committee on an ad hoc basis to consider the matter.

B. LOCAL SOURCING COMMITTEES

1. Macungie, Hagerstown, Parts Distribution Centers, Office and Engineering Sections and Remanufacturing Center

UAW – The President and Chairperson of the respective units shall function on an “as needed” basis to accomplish the scope of responsibility as set forth for the local sourcing committees in Section D below.
2. Mack Trucks, Inc. – a sourcing representative will be assigned by the Company at all Master Agreement bargaining unit locations involved insourcing initiatives to work with their UAW counterparts. The management sourcing representative may assign various duties to the appropriate staff to support the process.

C. OBJECTIVES

1. Growth and viability for the Company and the Union
2. All decisions of the National Committee or Local Committee will be based on present and future ramifications.

D. SCOPE OF RESPONSIBILITY

1. Local Committees
 - a. Refer to Exhibit 2
2. National Committee
 - a. National committee approval will be needed if:

- (1) there is no agreement at the Local Sourcing Committee level, or
 - (2) the sourcing decision in question impacts another bargaining unit covered by the Master Agreement
- b. National Committee will support the activities of the Local Committees, as needed
- c. National Committee will hold annual meetings and keep the Company, Local Union and International Union informed of subjects of discussion and results.

IN WITNESS WHEREOF, the parties have executed this MASTER AGREEMENT this **25th** day of October, 2019

FOR THE INTERNATIONAL UNION:

Ray Curry
Secretary Treasurer and Director
UAW Heavy Truck Dept.

John Eblin
Assistant Director
UAW Heavy Truck Dept.

Dave Snyder
International Rep.
UAW Heavy Truck Dept.

Troy Friday
International Rep
UAW Heavy Truck Dept.

Dave Perkins
International Rep.
Region 8

Craig Stout
International Rep
Region 8

Karl Klaus
International Rep.
Region 9

Matt Uptmor
International Rep.
Health & Safety

Ted Szepanick.
International Rep
Strategic Research Dept.

Frank Cerra
International Rep
UAW Social Security Dept.

FOR THE COMPANY:

D. William Waters, Jr.
Director, Employee & Labor Relations

Chris Filipowicz
Manager, Employee & Labor Relations

Curt Youngdale
Human Resources Business Partner

Tim Newman
Director, Human Resources

Malin Norman
Director, Human Resources

Matt Hanegraaf
Manager, Labor Relations

Kelley Dameron
Vice President, Human Resources

Eanne Gillon
Director, Benefits

Angie Smallwood
Manager, Benefits Strategy

Rick Robinson
Director, Health, Safety & Environment

Michael Schubert
Manager, Safety

Alissa Whitt
Human Resources Business Partner

Jacob Bowman
Human Resources Business Partner

Charles Roberts
Legal Counsel

Terry Clark
Legal Counsel

Stan Janis
Finance

FOR LOCAL NO. 171

Dave Fowler, Jr.
President

Ron Dietz, Jr.
Committeeperson

Jeff Mongan
Committeeperson

Tom Kunkleman
Committeeperson

Larry W. Miller
Committeeperson

Serena Veldhuizen
OBU Chairperson

Levi Wilson
Remanufacturing Chairperson

FOR LOCAL NO. 2420

Alan McBerry
President

FOR LOCAL NO. 677

Walt Smith
President

Kevin Fronheiser
Shop Chairperson

FOR LOCAL NO. 1247

Brett Dennis
President

Mark Bair
EBU Chairperson

FOR LOCAL NO. 2301

Douglas Irvine
President

Ron Sheffield
Committeeperson

David Durgin
EBU & OBU Chairperson

Al Keefer
Remanufacturing Chairperson

Louis Kurtz
Committeeperson

Michael Kalusky
Committeeperson

Russel Jones
Committeeperson

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Letter #1

Revised: June 1, 2009

Reissued: October 25, 2019

Mr. **John Eblin**

Assistant Director

UAW Heavy Truck Department

Solidarity House

8000 East Jefferson Avenue

Detroit, Michigan 48214

Re: Equal Employment Opportunity

Dear Mr. **Eblin**:

Over the years, the Company and the Union have demonstrated leadership in developing policies and putting them into practice to overcome discrimination because of race, sex, age, physical handicap, political or religious affiliations, and national origin. Our discussions in this area have recognized that the Parties need to maximize our adherence to the law and the concept of equal opportunity in all aspects of employment.

Discussions during these negotiations highlighted the desirability of increased communication and cooperative effort on this subject to encourage employees to secure the prompt resolution of all claims of the denial of equal opportunity rights, and to determine the cause of such claims in order to reduce the probability of these claims arising or recurring, and for the following purposes: (a) To increase understanding, (b) To avoid multiplicity of litigation in many forms simultaneously which is frequently time consuming, contradictory and hence non-productive in relieving employee problems, (c) To seek solutions to mutual problems, (d) To exchange information, expertise and advice.

Accordingly, the Parties agreed to establish the following Equal Employment–Opportunity Committee(s):

The Joint Corporate/International EEO Committee will be composed of two (2) representatives of the International Union and two (2) representatives of the Company.

The Joint Corporate/International Committee will meet as frequently as is mutually deemed desirable or necessary and its functions shall be the following:

- A. Explore affirmative concepts and programs that will enhance equal employment opportunity.
- B. Review and discuss ways and means of encouraging employees and grievance representatives to resolve claims of equal opportunity rights.
- C. Advise and counsel Local Equal Employment Opportunity Committees at operations covered by the Master Agreement.

Such Local EEO Committees shall be composed at each location of two (2) representatives of the Company and two members from the respective Local Union.

Local EEO Committees will meet quarterly or as frequently as is mutually desirable or necessary, and shall have the following functions:

- A. Recommend to the Joint Corporate/International Committee ways and means of promoting equal opportunity rights.
- B. Recommend action with respect to specific instances of practices in order to minimize complaints alleging such claims.
- C. Suggest guidelines for Union and Company representatives' action in the proper, prompt handling of complaints, including the employee's right to privacy.
- D. To review copies of all written complaints involving discrimination filed by employees in the bargaining unit. The Human Resources Manager will furnish copies of such complaints to the Committee and advise them of the results of the Company's investigation including its assessment of any violation or non-violation of the law and any pending discipline.

The Parties continue to recognize their legal and moral responsibility for ensuring that all Company employees have equal employment opportunities and freedom from discrimination as set forth in the Agreement. All such employee complaints shall be reported by them to the location's Human Resources Department.

Consequently, the function of the Joint Corporate/ International Equal-Employment Opportunity Committee and Local EEO Committees shall be advisory, consultative and cooperative. While the Company and the Union will welcome the recommendation of the Committees, the Committees may not commit either Party to a specific course of action. Furthermore, the Union agrees that it will discourage its members from bypassing the internal complaint procedure with respect to any claim or complaint against the Company. However, an employee who is disciplined by the Company as the result of its investigation may file a grievance protesting the appropriateness or reasonableness of that discipline.

Provisions for payment to Union members of the Local E.E.O. Committee for attending E.E.O. Committee meetings are contained in the appropriate Local Supplemental Agreements.

Very truly yours,

D. William Waters, Jr.
Director Employee & Labor Relations

Letter #2

Revised: June 1, 2009

Reissued: October 25, 2019

Mr. **John Eblin**

Assistant Director

UAW Heavy Truck Department

Solidarity House

8000 East Jefferson Avenue

Detroit, Michigan 48214

Re: Federal Health Security Act

Dear Mr. **Eblin**:

This confirms our understanding that, notwithstanding Article III, Section 9 of Appendix B, if during the term of the collective bargaining agreement between the Company and the Union signed today, any national health insurance act (other than a Workers' Compensation or occupational health law) is enacted or amended to provide hospital, surgical, medical, prescription drug, dental or vision benefits for employees, which in whole or in part duplicate or may be integrated with the benefits under the Program, the benefits under the Insurance Program shall be modified in whole or in any part, so as to integrate or so as to eliminate any duplication of such benefits with the benefits provided by such federal law. This integration shall be designed to maintain such integrated benefits as nearly comparable as practicable to the benefits provided in the Insurance Program. Such integration shall not result in persons covered under the Program having to pay deductibles or copayments for Insurance benefits which they would not otherwise pay under the insurance program.

If any such federal law is enacted or amended, as provided in the paragraph above, the Company will pay, beginning with the date benefits under such law become available and continuing through October 1, 2016, any premiums, taxes or contributions that employees who are eligible for Company-paid coverage under the Insurance Program may be required to pay under the law for benefits which may be integrated with the Insurance Program. This includes payments that are specifically earmarked or designated for the purpose of financing the program of benefits provided by law, in addition to any premiums, taxes or contributions required of the Company by law. If such premiums, taxes or contributions are based on wages, the Company will pay only the premiums, taxes or contributions applicable to wages received from the Company. Any savings realized by the Company from integrating or eliminating any duplication of benefits provided under the Insurance Program with the benefits provided by law, shall be retained by the Company.

These understandings are conditioned on the Company obtaining and maintaining such governmental approvals as may be required to permit the integration of the benefits

provided under the Insurance Program with the benefits provided by any such law; otherwise the Company and the Union shall meet and develop an acceptable alternative to accomplish the intent of this letter for the remaining term of the agreement.

Very truly yours,

D. William Waters, Jr.
Director Employee & Labor Relations

Letter #3

Revised: October 2, 2016

Mr. **John Eblin**
Assistant Director
UAW Heavy Truck Department
Solidarity House
8000 East Jefferson Avenue
Detroit, Michigan 48214

Re: National Executive Committee

Dear Mr. **Eblin**:

The parties to this agreement recognize that the long term viability of the Company is essential to ensure employment opportunities and job security for the maximum number of employees within the Company. In order to work toward these mutual objectives in an environment which fosters cooperation and understanding between all interested parties, the Company and the Union have agreed to form a committee made up of eight members of which four will be appointed by the Director of the UAW Mack Trucks Department (Vice President of Heavy Truck Department UAW, the Administrative Assistant, the National Servicing Representative, and the Regional Servicing Representative for the area and/or designated expert, if needed) and four to be designated by the Company Director of Employee & Labor Relations.

This Committee will be responsible for coordinating the efforts of Union and Management officials toward mutually established goals for the life of this Agreement. The Committee will meet on an annual or some other mutually agreeable basis to discuss items of significance to the Union, the employees and the Company.

Agendas which will be agreed upon prior to these meetings could include, but need not be limited to:

- Discussing the employment impact of the Company's overall strategies and considering possible alternatives which would improve operating efficiencies and enhance job security.
- Identifying local projects which could be implemented at the Company's facilities.
- Recommending new approaches for improving product quality.
- Improving communications and the exchange of information between the Union and the Company.

- Discussing the development of new technology and its impact throughout the Company upon the scope of bargaining units.
- Discussing the development of training programs to provide opportunities to both active and laid-off employees to upgrade their job skills; and thereby improve their job placement and job retention possibilities relative to their seniority; and thereby contribute toward the goal of retaining senior employees at work and assist laid-off UAW Mack Trucks' employees in finding suitable employment outside of Mack Trucks.

Further, the parties have recognized the need to promote training, retraining and personal development activities which would improve job skills, thereby enhancing job security for Mack Trucks' employees and contributing to the competitiveness of the Company. As a result, the National Executive Committee will, during the life of this Agreement, develop a joint UAW Mack Trucks Employee Development and Training Program. The objectives of which will include the following:

During the term of the 2001 Master Agreement, the Company's contribution obligation to the Joint Training Fund had been equal to \$.08 for all hours compensated including overtime hours, by UAW-represented employees. It is agreed, however, that the Company's contribution to the Joint Training Fund shall be suspended from October 25, 2019 through October 1, 2023. The Company will maintain a sufficient balance in the Fund to cover its expenditures.

Training programs developed under this letter of Agreement and the allocation of funds from the Joint Training Account shall continue to be administered jointly by Union and Company members of the National Executive Committee.

In the event that expenses of mutually agreed programs exceed amounts accumulated in the joint training accounts, Mack Trucks will contribute additional funds as needed. In addition, the Union and Company will cooperate in attempts to obtain funding for training purposes from various governmental agencies.

Sincerely,

D. William Waters, Jr.
Director Employee & Labor Relations

Letter #4

Reissued: October 2, 2019

Mr. **John Eblin**
Assistant Director
UAW Heavy Truck Department
Solidarity House
8000 East Jefferson Avenue
Detroit, Michigan 48214

Re: Medical Disputes

Dear Mr. **Eblin**:

During the course of 1998 negotiations, the parties discussed the problem of resolving medical disputes concerning the existence or nonexistence of either a total or partial disability which arise in the application of the applicable provisions of the Agreement.

The parties shall immediately meet following notification that a dispute exists and shall select an appropriate physician to perform an Independent Medical Examination (IME) as expeditiously as possible to determine the status of the employee. The physician selection process will be by mutual agreement or from a previously agreed upon panel of physicians whose credentials will be periodically reviewed. The disability benefit shall be continued through the date the results of the scheduled IME are received, unless the employee returns to work prior to this date. If the IME determination is that the employee is able to work, or if the employee fails to appear for the scheduled IME without a justifiable reason, the benefit shall be terminated immediately and the employee instructed to return to work. If the determination is that the employee is unable to return to work, benefits shall be continued until it is determined that the employee is able to return to work.

The resulting decision will be binding upon the parties. The Union and Company will share equally any costs resulting from such appointments.

The parties agree that the following procedures shall apply to the IME:

1. The physician performing the IME
 - (a) be provided all needed medical documentation by both the Company and the employee or his treating physician
 - (b) conduct a telephone conference call with the Company and the employee to answer any questions he may have
 - (c) complete a physical capabilities form to the employee following the IME

2. If the employee returns to work and then goes off work again due to the same injury, illness, or condition, the employee shall be referred to the same physician for a new IME.

Very truly yours,

D. William Waters, Jr.
Director Employee & Labor Relations

Letter #5

(Reference 1992 Contract)

Reissued: October 25, 2019

Mr. **John Eblin**

Assistant Director

UAW Heavy Truck Department

Solidarity House

8000 East Jefferson Avenue

Detroit, Michigan 48214

Re: Neutrality Letter

Dear Mr. **Eblin**:

During 1992 negotiations, the Parties discussed at length the issues of mutual respect and acceptance, particularly as they apply to UAW organizing efforts at the Company's non-represented facilities. The Company assured the Union that it in no way wishes to impede the UAW's legitimate institutional interests in organizing production/maintenance, clerical, technical, or warehouse employees at any Mack Trucks, Inc. facilities. In order to provide tangible evidence affirming this commitment, the Company agrees to:

1. Maintain a neutral position with respect both to the UAW and the issues of Union representation generally during any organizing campaign conducted by the UAW at any Mack Trucks, Inc. facilities for an appropriate bargaining unit of production/maintenance, clerical, technical, or warehouse employees.
2. Recognize the UAW as the sole and exclusive collective bargaining agent for an appropriate bargaining unit of production/maintenance, clerical, technical, or warehouse employees at any Company facilities on the basis of a card check in which a majority (fifty percent plus one) of the employees signed an authorization card.
3. Extend all terms and conditions of the Master Agreement to any facility whose employees have chosen the UAW as their collective bargaining representative.

Sincerely,

D. William Waters, Jr.

Director Employee & Labor Relations

Letter #6

(Reference 1987 contract)

Reissued: October 2, 2016

Mr. **Norwood Jewell**
Vice President and Director
UAW Heavy Truck Department
Solidarity House
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Mr. **Jewell**:

Re: ~~— New Manufacturing and Parts Distribution Facilities~~

~~Regarding the establishment of new manufacturing facilities engaged in operations identical or similar to those performed in facilities where the UAW currently holds representation rights under this Master Agreement, the Company and Union agree as follows:~~

~~No facilities will be built or opened in Mexico, the United States, and/or Canada for the term of this Agreement without mutual agreement with the International Union UAW.~~

Sincerely,

D. William Waters, Jr.
Director Employee & Labor Relations

Letter #6

(Reference 1982 Contract)
Revised: June 1, 2009
Reissued: October 25, 2019

Mr. **John Eblin**
Assistant Director
UAW Heavy Truck Department
Solidarity House
8000 East Jefferson Avenue
Detroit, Michigan 48214

Re: Voluntary Political Contributions

Dear Mr. **Eblin**:

It is agreed between Mack Trucks, Inc. and the International Union, UAW (the Union) that the following understandings have been reached in connection with the Union's request that the Company make deductions for voluntary political contributions from the paychecks of Company employees represented by the Union.

1. The designated financial officer of each Local Union will furnish to the local management for each employee for whom a deduction is to be made, an authorization card signed by the employee containing the following information:
 - a. Name
 - b. Employee Number
 - c. Department Number
 - d. Address
 - e. Last 4 digits of Social Security Number
 - f. Local Union Number
 - g. Amount to be deducted each month elected by the employee on the deduction card.
 - h. Date of Signature

Voluntary contributions will start in the month following delivery to the Company if such authorization card is delivered not later than the 20th day of the month.

2. The Company will make such authorized deductions from wages earned and issued during the third full pay period (or subsequent pay periods) of the month and will continue the deductions while such authorization is in effect.
3. The Company will issue three separate checks payable to the UAW V-CAP, in care of the UAW's National CAP Department for deductions made in the preceding

month. The UAW's Voluntary Political Contributions Fund (V-CAP) is in full compliance with the Federal Election Campaign Act. Overpayment to the Union resulting from canceled employee authorizations will be refunded by the UAW International Union's Voluntary Political Contributions Fund (V-Cap).

4. A monthly report will be provided to the Local Union financial officer and regional office which will indicate name, employee number, Local Union number, last 4 digits of social security number, month and year-to-date deduction for each member.
5. Three separate magnetic tapes will be furnished, upon request, not to exceed four times a year, in the following format: Local/location, department, last 4 digits of social security number, employee number, first name and initial, last name, address, shift, current deduction, year-to-date deduction amount, company code to be assigned by National CAP Department.
6. Mack Trucks and the UAW, during the 1987 negotiations, agreed that the cost of this program was included in the overall economic settlement which includes the initial setup and programming costs, all general administration costs, computer and machine time, and all costs associated with the processing of new authorization, changes or cancellations.
7. Employees who wish to cancel their authorizations for payroll deductions will sign a card supplied by the Union for that purpose.
8. The designated financial officer of the Local Union will collect and forward to local management as one transmittal, all signed authorization cards and cancellation cards for the initial processing and for each subsequent monthly period.
9. In the event of layoff or transfer, the Union-covered employee's authorization card will be held with payroll records and reinstated upon said employee returning to a job covered by the Agreement.
10. The Company shall implement this program at any time after July 1, 1987, upon the Union's request.
11. The Union will indemnify and hold the Company harmless from any and all liability or claims arising from administrative error resulting from the deductions provided for in this agreement.

Very truly yours,

D. William Waters, Jr.
Director Employee & Labor Relations

Letter #8

(Original date July 7, 1998)

Reissued: October 2, 2016

Mr. **Norwood Jewell**

Vice President and Director
UAW Heavy Truck Department
Solidarity House
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Mr. **Jewell**:

~~Re: Procedure to be Followed if Wages or Benefits Disallowed or Postponed~~

~~If a governmental agency having appropriate authority holds that any increase in wages or benefits provided for by this Master Agreement or by any Local Supplemental Agreement thereto is disallowed or postponed, the Company will periodically, as the proscribed payments become due, place in escrow an amount of money equal to that necessary to provide the wages and benefits so disallowed or postponed, if so doing is permissible under Government regulations. The Parties will negotiate means of making available to employees benefits equal in value to any monies so deposited in escrow in a manner that will be permissible under Government regulations.~~

Sincerely,

D. William Waters, Jr.
Director Employee & Labor Relations

Letter #7

October 2, 2012 (Original Issue Date)

Reissued: October 25, 2019

Mr. **John Eblin**

Assistant Director

UAW Heavy Truck Department

Solidarity House

8000 East Jefferson Avenue

Detroit, Michigan 48214

Re: Insourcing Opportunities

Dear Mr. **Eblin**:

During the course of the 2012 negotiations, the Parties discussed the various opportunities that occasionally arise for new work to be insourced into a facility covered by the Mack Master Agreement. The Company explained its concerns that, while these insourcing opportunities may make sense from a business standpoint, provisions in the collective bargaining agreement present cost and/or flexibility issues that ultimately lead to a decision not to insource the new work. In order to address these concerns, and with the goal of providing opportunities to expand the business along with the increased job security for bargaining unit members that would result, the Parties have agreed to the following:

1. Upon written request from either Party, the Company, the appropriate UAW Regional Director (or designee), and the Local Union will enter into discussions within ten (10) working days to discuss a potential insourcing opportunity. The requesting Party will present the details of the opportunity to the other Party, including: details of the work under consideration for insource, timing of the potential insource and headcount impact. Local Management will also present to the above Union parties any proposals it wishes to make to revise and/or append the Local Supplemental Agreement in order to achieve a positive business case for the insourcing of the work in question. Such proposals may include outsourcing of current bargaining unit work in exchange for the insourcing of new work.
2. The Local Parties shall have twenty (20) working days from the date of the initial meeting to reach an agreement to revise and/or append the Local Supplemental Agreement. Should no agreement be obtained in the agreed upon timeframe, Local Management may forward the issue to the Corporate Labor Relations function, which shall then present the issue to the Regional UAW Director (or designee) for discussion. Any agreement reached between

Corporate Labor Relations and the Regional Director (or) designee shall be binding upon the Local Parties.

3. The timeframes referenced in #1 and #2 above may be extended by mutual agreement.
4. Should the contractual relief required by the Company in order to achieve a positive business case impact the Master Agreement, then the Corporate Labor Relations function and Heavy Truck Department of the International Union shall be party to the discussions and any subsequent agreement shall not be considered valid without their signatures. However, notwithstanding Article 27 of the Master Agreement, it shall be understood that the Local Parties may agree to the insource or outsource of product or work under paragraph #1 above.
5. The International Union shall determine whether any Agreement reached under the terms of this Letter shall require a membership ratification vote.
6. This Letter is not intended to diminish the role of the National or Local Sourcing Committees as defined in Exhibits #2 and #3. However, it is expressly understood that approval of the National and/or Local Sourcing Committees shall not be required under the terms and conditions of this Letter.

Sincerely,

D. William Waters, Jr.
Director Employee & Labor Relations

Letter #8

Original Issue: May 26, 1998

Reissued: October 25, 2019

Mr. **John Eblin**

Assistant Director

UAW Heavy Truck Department

Solidarity House

8000 East Jefferson Avenue

Detroit, Michigan 48214

Re: Sourcing

Dear Mr. **Eblin**:

Consistent with the parties concern for optimizing job security opportunities for our employees, the Company and the Union have established in Article 27 Section 77 Local and National Sourcing Committees to submit insourcing and outsourcing recommendations where a part, component, function or operation can be shown to be manufactured or performed internally or externally in a manner superior to that of current operating conditions on the basis of quality, delivery and cost.

Management reserves the right to unilaterally initiate and reverse at will permanent and trial insourcing decisions made outside the Sourcing Process.

Sincerely,

D. William Waters, Jr.

Director Employee & Labor Relations

Letter #9

(Original date July 7, 1998)

Reissued: October 25, 2019

Mr. **John Eblin**

Assistant Director

UAW Heavy Truck Department

Solidarity House

8000 East Jefferson Avenue

Detroit, Michigan 48214

Re: Union / Management Relationship

Dear Mr. **Eblin**:

Mack Trucks, Inc. and the UAW have made a sincere effort to resolve issues through the negotiation process. Each of us recognize that a strike represents a tangible failure of this process, however, in the interest of our long term relationship, Mack has elected to refrain from continuing production operations by hiring new employees as permanent replacements for striking workers.

During those few instances in which a strike occurs, the UAW recognizes that Mack must continue to protect equipment, facilities and, most importantly, fulfill its commitments to customers by using salary employees as are available to continue critically necessary operations in an orderly manner. For their part, the UAW commits to maintain an orderly, peaceful protest without rancor or attack upon the Company or its product. A picket action will be of an informational nature and there will be no interference with the legitimate access to Mack's facilities.

This course of action by the Company has served the parties well. It has permitted us to address the issue without additional pressure and escalation of the tensions of the situations. Accordingly, it is Mack's intent to continue this long established Corporate policy so long as our relationship remains businesslike.

Sincerely,

D. William Waters, Jr.

Director Employee & Labor Relations

Letter #10

(Original date July 7, 1998)

Reissued: October 25, 2019

Mr. John Eblin

Assistant Director

UAW Heavy Truck Department

Solidarity House

8000 East Jefferson Avenue

Detroit, Michigan 48214

Re: Resolution of Employee Complaints

Dear Mr. Eblin:

The Company and the Union have long recognized that the mutually satisfactory resolution of employee complaints in the grievance procedure, by authorized Company and Union officials, results in a final and binding determination for both parties as well as the employee involved. The parties' recognition of this principle has contributed stability and certainty to the grievance procedure. Accordingly, the Company views any attempt to reinstitute such claims by either party as being antithetical to the purposes for which the grievance procedure was established.

However, subject to the provisions of Article 5 of the Master Agreement, in those instances where the UAW's International Executive Board, Public Review Board, or Constitutional Convention Appeals Committee have reviewed a grievance disposition and found that such disposition was improperly concluded by the Union body or representative involved, the Heavy Truck Department may so inform the Director of Employee and Labor Relations of the Company and request in writing that such grievance be reinstituted in the parties' grievance procedure at the same level at which it was originally settled. After receipt of such written request, the grievance will be so reinstituted by the Company.

It is understood by the parties, however, that the Company will not be liable for any back pay claims from the time of original disposition to the time of reinstitution of the grievance, and it is further agreed that the reinstitution of any such grievance shall be conditioned upon agreement by the Union and the employee(s) that neither will pursue such back pay claim against the Company.

This letter is not to be construed as modifying in any other way either party's rights or obligations pursuant to the Collective Bargaining Agreement or the final and binding nature of any other grievance resolutions. It is also understood by the parties that this section and the Company's obligation to reinstitute grievances consistent with the conditions set forth above and upon written request from the Union, can be terminated by either party upon thirty (30) days' notice in writing, to that effect.

Sincerely,

D. William Waters, Jr.

Director Employee & Labor Relations

Letter #11

(Original date October 28, 1992)

Reissued: October 25, 2019

Mr. **John Eblin**

Assistant Director

UAW Heavy Truck Department

Solidarity House

8000 East Jefferson Avenue

Detroit, Michigan 48214

Re: Personal Leave of Absence

Dear Mr. **Eblin**:

During the discussion of the Personal Leave of Absence section of Article 10 of the Master Agreement, Management assured the Union of their intention to take a reasonable administrative approach. In instances where approved leaves of absence cause a negative impact on an employee who would be otherwise eligible for vacation or holiday pay, the Human Resources department will review all attendant circumstances and make a reasonable determination of eligibility.

This understanding is not intended to expand eligibility, but rather to address obvious inequities which may arise due to the administration of the specific language of the Personal Leave of Absence section.

Sincerely,

D. William Waters, Jr.

Director Employee & Labor Relations

Letter #12

(Original dated July 7, 1998
Reissued: October 25, 2019

Mr. **John Eblin**
Assistant Director
UAW Heavy Truck Department
Solidarity House
8000 East Jefferson Avenue
Detroit, Michigan 48214

Re: Employee Outplacement Assistance

Dear Mr. **Eblin**:

The Union has requested that Mack renew the commitment first made in the 1984 Agreement with regard to outplacement assistance. In response to that request, the Company has agreed to continue to offer to employees on regular layoff assistance in seeking other job opportunities through a career transition service provided by the Company at no cost to the employees. This service will be provided as a need is identified, for any facilities covered under this agreement, by the National Executive Committee. Employees will be provided with:

- a. Information on employment opportunities within the regional area of residence.
- b. Counseling on the types of skills that are marketable in the job market of today and the future.
- c. Retraining and entrepreneurial programs.
- d. Counseling on how to seek, apply for and acquire employment.

The parties have agreed to fund these efforts through the Joint Training Fund.

Sincerely,

D. William Waters, Jr.
Director Employee & Labor Relations

Letter #13

(Original date May 26, 1998)

Reissued: October 25, 2019

Mr. **John Eblin**

Assistant Director

UAW Heavy Truck Department

Solidarity House

8000 East Jefferson Avenue

Detroit, Michigan 48214

Re: Board of Directors

Dear Mr. **Eblin**:

The Company and the Union have set up a framework for identifying issues of mutual interest which will enhance the long term viability and growth of the Company, thereby maximizing job opportunities for our UAW represented employees. In the spirit of maintaining our progress toward these very important objectives, arrangements will be made, continuing the practice established under prior bargaining agreements, for the Director of the UAW Heavy Truck Department to address the Corporation's Board of Directors, appropriate committee(s) of the Board, or the Company's Management Committee, on a periodic basis.

Sincerely,

D. William Waters, Jr.

Director Employee & Labor Relations

Letter #14

(Original date May 26, 1998)

Reissued: October 25, 2019

Mr. **John Eblin**

Assistant Director

UAW Heavy Truck Department

Solidarity House

8000 East Jefferson Avenue

Detroit, Michigan 48214

Re: Overtime

Dear Mr. **Eblin**:

During the discussions regarding the necessity for scheduled overtime, the parties concluded that, recognizing the unique requirements within each unit, overtime was a topic best provided for in the various Supplemental Agreements.

The Union expressed a concern that customer requirements could result in the necessity to schedule excessive amounts of overtime, therefore, in making scheduling decisions, Management agreed to consider alternatives to overtime including, but not limited to, the recall of seniority employees, with the requisite skills, from layoff. The intention is to make work scheduling decisions which result in the best quality, delivery and cost advantages to our customer.

Management is willing to review the rationale for scheduling decisions with the union upon request.

Sincerely,

D. William Waters, Jr.

Director Employee & Labor Relations

Letter #15

(Original date: June 18, 1998)

Reissued: October 25, 2019

Mr. **John Eblin**

Assistant Director

UAW Heavy Truck Department

Solidarity House

8000 East Jefferson Avenue

Detroit, Michigan 48214

RE: New Operating Environment

Dear Mr. **Eblin**:

During the 2007 contract negotiations process, the Company and the Union engaged in discussions to clarify, define and resolve critical issues necessary to improve the overall competitiveness of Mack Trucks, Inc. The need for these improvements was driven by our joint understanding of the seriousness of the competitive gap that exists between Mack and its key competitors. Both parties also firmly agreed that these discussions were only the initial steps necessary to create a new operating environment that will allow us to become competitive as soon as possible and thereby provide security for our employees, retirees and shareholders.

Consequently, the parties agree that each local plant/facility will continue to work to find solutions to operating/business issues that prevent us from being competitive, now and in the future. It is clearly understood that the parties at the local, and also at the national level, will explore all reasonable alternatives to enable Mack to be competitive in all of its business units. In order to achieve these goals, it is understood and agreed that each local plant/facility may enter into agreements that may deviate from the provisions of the Local Supplemental and Master Agreements, and other local agreements with the approval of the International Union and Company. The International Union will further advise the parties if membership approval is required to negotiate such changes and if membership ratification is required to implement such changes prior to any agreement that would modify and/or amend the Master Agreement.

Recognizing the needs of all constituencies, the parties agree to continue to meet on an ongoing basis at each location to implement strategic steps that will address the actions outlined above.

Sincerely,

D. William Waters

Director Employee & Labor Relations

Letter #16

Reissued: October 25, 2019

Mr. **John Eblin**
Assistant Director
UAW Heavy Truck Department
Solidarity House
8000 East Jefferson Avenue
Detroit, Michigan 48214

Re: Extension of Seniority Recall Rights

Dear Mr. **Eblin**:

This will confirm our understanding that, notwithstanding the provisions of Article 6, Section 18 (g), (h) and (i) of the Master agreement, employees who have or acquire seniority as of October 25, 2019 shall retain their seniority recall rights through the term of the new Agreement.

Sincerely,

D. William Waters, Jr.
Director Employee & Labor Relations

Letter #17

Revised: October 1, 2019

Mr. John Eblin
Assistant Director
UAW Heavy Truck Department
Solidarity House
8000 East Jefferson Avenue
Detroit, Michigan 48214

Re: Health and Safety Issues

Dear Mr. Eblin:

During the 2019 Negotiations the parties had extensive discussion regarding health and safety. The Company and Union agree that by working jointly on programs continues to enhance and improve the safety culture at all UAW represented Mack facilities. Therefore, we will continue to work together to address and improve the following Health and Safety items:

1. Will continue to develop alternative measures to eliminate the practice of employees working under suspended loads. Specifically, safety stands, blocks and improved crane and hoist procedures will be implemented. Standards applicable to each facility, such as the most current version of the ANSI standards for cranes, hoists, rigging and under the hook lifting devices, will be obtained and reviewed to guide the design process.
2. Will continue to provide safe access to all entrances and exits at the facility during and after snow ice storms. The parking lots will be plowed and salted to assure that a safe condition exists.
3. Will continue to schedule qualified personnel to inspect all gas-fired equipment.
4. Will continue to maintain restrooms, water coolers/water fountains and eyewashes in a clean and sanitary condition.
5. ~~Will continue to maintain water coolers/water fountains and eyewashes in a sanitary condition.~~
5. ~~Additional efforts will be made to ensure that management recognizes the need to maintain properly balanced ventilation systems.~~ The Company will continue to maintain properly balanced ventilation systems in the facilities. The Local Joint Health and Safety Team will ensure that Local Exhaust Ventilation (LEV) evaluations are completed periodically. In the event that a third party is used to conduct these evaluations, the UAW Health and Safety Representative has

the right to be present. If the LEV evaluations are conducted internally, the tools needed to perform these tasks will be available at each location. Time needed to perform these functions will be determined by the Joint Health and Safety Team. Acting Safety Representatives will perform evaluations during normal shift times, according to the annual plan and in a timely manner when complaints are received.

6. The Local Committee on Health and Safety **at each facility** will continue to develop action plans to resolve issues concerning powered industrial vehicle alternatives, traffic, pedestrian safety and aisle ways. ~~at the Middletown facility, and chassis line buggy system safety in Macungie.~~
7. ~~**Upon ratification of this contract (no greater than 30 days) the International Joint Committee will assist Facility Management in the on-going issue with the chassis line buggy system at the Macungie LVO facility. The parties mutually agree that this is a serious safety issue that must be addressed. The Company will allocate appropriate resources to identify and implement actions to prevent the continuation of this issue.**~~ The Local **Joint** Health and Safety Team **at the Macungie facility** will **continue to** monitor the effectiveness of the actions and notify the International Joint Committee of the action plan, when actions are completed, and/or upon any new incidents, near misses or SIF (Serious Injury or Fatality) cases related to the issue **on the chassis line buggy system and ensure that effective safety controls are in place and maintained.**
8. The one-hundred thirty-five thousand dollars (\$135,000) referenced in the 2004 and 2009 **2016** agreements will be carried forward into this agreement. This dollar amount may be utilized as the parties mutually agree for any particular joint study. Funds may be used to leverage other sources of research funding.
9. ~~**Within ninety (90) days of ratification of this Agreement, the Facility Health and Safety Team, PM Coordinator and a member of the Skilled Trades will conduct a review of the Preventative Maintenance Program to ensure that the safety related items have been properly identified and included in the facilities' Preventative Maintenance Program. Will continue to ensure that all safety related items have been identified and entered into the Preventative Maintenance Program (PMP). The Joint Health and Safety Team will audit the PMP annually to ensure that safety related PM's are completed as scheduled and not past due.**~~
10. ~~**Within one hundred eighty (180) days of ratification of this Agreement the Company and the Local Union will meet to discuss, review and if necessary re-establish the role and responsibilities of the Medical Emergency Response Team (MERT).**~~
11. ~~**Within one hundred eighty (180) days of ratification of this Agreement, both Hagerstown and Macungie Management Teams will meet with their Local**~~

Union at their respective locations to discuss how employee fatigue and excess overtime affects the health and safety of employees.

Sincerely,

D. William Waters, Jr.
Director Employee & Labor Relations

Letter #**18**

Original Issue: October 2, 2004

Revised: June 1, 2009

Reissued: October **25**, 20**19**

Mr. **John Eblin**

Assistant Director

UAW Heavy Truck Department

Solidarity House

8000 East Jefferson Avenue

Detroit, Michigan 48214

Re: Competitive Changes in the Workplace

Dear Mr. **Eblin**,

During the course of the negotiations which led to the 2004 Master Agreement the Parties held extensive discussions on possible future changes in the workplace of significant scope and importance resulting from new technology, implementation of product plan strategies, and the restructuring and integration of Mack Trucks into the processes of its parent Company, AB Volvo and how these changes may or may not impact employees and the future operations of the Company.

The Parties recognize that the U.S. manufacturing sector is shifting to a global base and that the Company must be able to compete, not only domestically, but worldwide. In order to secure a competitive advantage, the Parties recognize the need for change and to be able to obtain capital investments which improve our technological and manufacturing methods.

The Company commits that during the term of the new Agreement it will meet with representatives of the UAW International Heavy Truck Department and Local UAW Representatives, where applicable, to discuss competitive changes resulting from new technology, product and manufacturing strategies and restructuring plans which may impact our processes, or manufacturing methods that result in the change or elimination of jobs or otherwise potentially impact employment levels. Such meetings will be held in advance of such implementations in order to provide the Union with information regarding the planned changes and to engage in meaningful discussions to protect the interests of its members, including the Company's ability to provide employee training to utilize the new technology or process in order to meet the needs of the competitive workplace.

Sincerely,

D. William Waters, Jr.

Director Employee & Labor Relations

Letter #19

Issued: June 1, 2009 (Original)

Reissued: October 25, 2019

Mr. **John Eblin**

Assistant Director

UAW Heavy Truck Department

Solidarity House

8000 East Jefferson Avenue

Detroit, Michigan 48214

Re: Health and Safety

Dear Mr. **Eblin**,

During the course of these negotiations, Management and the Union have held discussions concerning cadmium in the workplace. The Company commits that it will not use Cadmium coated parts or fasteners in the assembly process.

In the unlikely event that Cadmium coated parts or fasteners are found in the plant, the Company will provide a risk communication regarding Cadmium to all employees within the facility. Should an exposure occur, the Company will schedule and pay for biological testing conducted by a mutually agreed upon certified laboratory, and will ensure that any cadmium-containing residue is properly cleaned up and disposed.

The Mack Trucks' Corporate Director of Health and Safety, the U.A.W. International Health and Safety Representative, and the Local Health and Safety Representative agree to meet, discuss, and determine the adequacy of our existing strategy relating to cadmium and determine if any additional actions may be required.

Sincerely,

D. William Waters, Jr.

Director Employee & Labor Relations

Letter #20

October 2, 2012 (Original Issue Date)

Mr. **John Eblin**
Assistant Director
UAW Heavy Truck Department
Solidarity House
8000 East Jefferson Avenue
Detroit, Michigan 48214

Re: Arbitration Procedural Guidelines

Dear Mr. **Eblin**:

This will confirm the Arbitration Procedural Guidelines agreed to on October 2, 2012 between the Company (Mack Trucks, Inc.) and the International Union, UAW. Those understandings are:

- 1) The parties may meet by telephone or in person with the Arbitrator prior to the hearing in order to discuss the subject matter of that hearing. Such meetings will be held only by mutual agreement.
- 2) The hearing of cases shall be held at the facility or location from which the case arose. However, this does not preclude the parties from conducting a hearing or hearings at other locations where, in appropriate cases, and for reasons of convenience and economy, it may be desirable to conduct a hearing at another location.
- 3) Witnesses shall be sworn under oath prior to providing their testimony.
- 4) A transcript of the hearing by a Court Reporter may be requested by the parties who will equally share the cost, fees and expenses incurred by the Court Reporter. Transcript costs will be paid by the party ordering the transcript and the parties shall equally share the cost of a copy of a transcript if one is requested by the Arbitrator.
- 5) Full disclosure of all documents, positions, evidence and witness lists from each party to the other will be completed no less than ten (10) business days prior to the start of the cancellation fee date established by the Arbitrator. Such exchange of information may be made in person, via e-mail, U.S. mail, telephone or any combination thereof.
- 6) Unemployment Compensation and Workers Compensation documents may only be used for impeachment purposes.

- 7) No pre-hearing settlement offer(s) in the instant case or in other similar cases will be admissible by either party.
- 8) The parties at their election may submit pre-hearing and/or post-hearing briefs unless directed otherwise by the Arbitrator.
- 9) At the commencement of the hearing, either party may make a request of the Arbitrator to excuse persons from the hearing room who may be present but who are not appropriately affiliated with the hearing. Only those persons having a direct participation in the hearing shall be permitted to attend the hearing. Such persons will include Company and Union officials, their representatives, witnesses and mutually agreeable observers.
- 10) Neither party will subpoena witnesses from the other party. However, any person properly present at the hearing may be called by the opposing party to testify as an adverse or hostile witness with the right to lead and cross-examine. Either party's failure to call a witness shall give no rise to a presumption of his or her testimony or lack thereof.
- 11) Either party may request that the Arbitrator appropriately sequester witnesses outside of the hearing room until such time as they are called to testify.

Should questions arise regarding the application of these Guidelines or a conflict exist as to their meaning or application to a particular case, the parties will meet to discuss and mutually resolve those issues.

Sincerely,

D. William Waters, Jr.
Director Employee & Labor Relations

Letter #21

(Original Date: June 1, 2009)

Reissued: October 25, 2019

Mr. **John Eblin**

Assistant Director

UAW Heavy Truck Department

Solidarity House

8000 East Jefferson Avenue

Detroit, Michigan 48214

Re: Lean Manufacturing

Dear Mr. **Eblin**:

During the negotiations which led to the 2012 Labor Agreement, the Parties discussed the future changes to the processes and methods at the facilities covered by the Mack Master Agreement resulting from the Company's transition to a Lean Manufacturing environment.

- The Parties recognize that Lean Manufacturing is the cornerstone for achieving and maintaining any competitive advantage, both domestically and globally.
- Despite its name, Lean Manufacturing is a strategy that encompasses all operational processes and strategies, not just those specific to manufacturing.
- The Lean strategy is focused on encouraging initiative, creating a harmonious culture of involvement based upon the long-term development of our employees, and ensuring employee input into day-to-day operations.
- The parties recognize that involving employees in key phases of the business such as quality, continuous improvement initiatives, operating efficiency, joint problem solving, and waste elimination is extremely important in achieving stated objectives.
- The parties recognize that we must continue to identify the best processes and work policies that will encourage employee participation.
- The implementation and success is dependent upon the joint cooperation of the Parties, which in turn will help to bolster job security and the long-term viability of our operations.
- The Parties recognize that successful implementation of lean manufacturing initiatives should result in more efficient operations, thus generating additional insourcing opportunities within the facility through the creation of additional capacity and free space.

- The objective of Lean Manufacturing is to develop a systematic approach to identifying and eliminating waste through continuous improvement.
- Meeting this challenge requires a truly participative process and sustained employee involvement.
- In order for an operation to successfully implement Lean Manufacturing, there is a level of understanding and cooperation that must exist between all team members.
- The Parties thereby agree that the success of this initiative depends largely upon the implementation of work teams in the operations and a shift in the current culture to self-guided and self-sufficient work groups where team members will be required to be cross-trained on various jobs within their work group to ensure team-depth skill and knowledge.
- The Parties recognize that self-directed work teams and their team leaders must have performance goals, objectives and measurements within work groups to facilitate, quality initiatives, new product launch, health and safety initiatives, maintenance processes, operating effectiveness, and continuous improvement.
- The Parties also acknowledge that current processes, layouts, material and information flows cannot remain unchanged if the benefits of Lean Manufacturing are to be realized.

To this end, the Parties agree that they will endorse and embrace this new way of working. The Local Parties will meet regularly once implementation has commenced to monitor the success of the implementation and address any issues and concerns that may arise. Should the Local Parties encounter issues related to the collective bargaining agreement which they cannot resolve, representatives of the Corporate Labor Relations function and International Union will attempt to help the Local Parties resolve the issue prior to that issue being entered into the grievance procedure. The Parties are committed to resolve any contractual issues surrounding this implementation in a manner that facilitates the new processes in the overall interests of the Company and its employees, including, if needed, the modification or adoption of language to support and implement the new environment.

Sincerely,

D. William Waters, Jr.
Director Employee & Labor Relations

Letter #22

Original Issue: October 2, 2004

Revised: October 25, 2019

Mr. **John Eblin**

Assistant Director

UAW Heavy Truck Department

Solidarity House

8000 East Jefferson Avenue

Detroit, Michigan 48214

Re: Special Single Sum Payments

Dear Mr. **Eblin**:

As agreed in the 2019 contract negotiations, a single sum payment will be made on January 1, 2020, January 1, 2021, **January 1, 2022** and January 1, 2023 to:

1. Employees who retired prior to August 1, 2019 with a Normal, Early, or Disability Pension who survive to January 1, 2020, January 1, 2021, **January 1, 2022** and January 1, 2023 as the case may be.
2. Surviving spouses of employees who retired prior to August 1, 2019 with a Normal, Early or Disability Pension provided that such surviving spouses are receiving or eligible to receive surviving spouse pensions as of January 1, 2020, January 1, 2021, **January 1, 2022** and January 1, 2023 as the case may be.
3. Surviving spouses of employees who terminated employment by death prior to August 1, 2019 provided that such surviving spouses are receiving or eligible to receive surviving spouse pensions as of January 1, 2020, January 1, 2021, **January 1, 2022** and January 1, 2023 as the case may be.

The amount of the single sum payment on January 1, 2020, January 1, 2021, **January 1, 2022** and January 1, 2023 shall be the product of (i) and (ii) below, where:

- (i) equals **\$425** if the single sum is payable to a person described in (1) above or **\$275** if the single sum is payable to a person described in (2) or (3) above, and;
- (ii) equals the ratio of the former employee's credited service at time of retirement or death to 30 years with the maximum of such ratio equal to 1.

Sincerely,

D. William Waters, Jr.

Director Employee & Labor Relations

BENEFIT AGREEMENTS

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Profit Sharing Plan	Appendix E
Legal Services Plan	Appendix F
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between

**MACK TRUCKS, INC.
and the
INTERNATIONAL UNION,
UNITED AUTOMOBILE
AEROSPACE AND
AGRICULTURAL IMPLEMENT
WORKERS OF AMERICA
UAW
AND ITS LOCALS
171, 677, 1247, 2301, 2420**

October 25, 2019 – October 1, 2023

WAIVER

Section 1

During the negotiations resulting in this Benefits Agreement concerning the benefits and terms and conditions of employment of production, maintenance, and salaried employees, the Company and the Union each had the unlimited right and opportunity to make demands and proposals with respect to any subject matter as to which the National Labor Relations Act imposes an opportunity or obligation to bargain. Except as specifically set forth elsewhere in this Agreement, the Company expressly waives its right to require the Union to bargain collectively, and the Union expressly waives its right to require the Company to bargain collectively over all matters as to which the National Labor Relations Act provides an opportunity or imposes an obligation to bargain, whether or not: (1) such matters are specifically referred to or covered in this Agreement; (2) such matters were discussed between the Company and the Union during the negotiations that resulted in this Agreement; or (3) such matters were within the contemplation or knowledge of the Company or the Union at the time this Agreement was negotiated and executed.

Section 2

This Agreement contains the entire understanding, undertaking, and agreement of the Company and the Union, after exercise of the right and opportunity referred to in the first sentence of Section 1 above, and finally determines and settles all matters of collective bargaining between the parties for its term. Any changes to this Agreement or any changes to any other terms and conditions of employment not covered or contemplated by this Agreement during its term, whether by addition, waiver, deletion, amendment, or modification, must be reduced to writing and executed by the Company's Corporate Director, Employee and Labor Relations, the local Director of Human Resources, and the designated International and Local Union representatives to be enforceable.

Section 3

The waiver of any breach, term or condition of any of the provisions of this Agreement by either party does not constitute a precedent or past practice for any future waiver or enforcement of such breach.

Section 4

Unless specifically so provided in this Benefits Agreement to the contrary, past practices shall not be binding on either party.

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Appendix A

**Mack Trucks, Inc.
Mack-UAW Pension Plan
For Employees Hired Before June 1, 2009**

Summary Plan Description

October 25, 2019

To All Participants:

The Mack-UAW Pension Plan (the Plan) is designed to help ensure your financial security during retirement and to provide you with a source of income after you stop working. The Pension Plan covers employees who were hired before June 1, 2009.

The Mack-UAW Pension Plan provides for Normal, Early, Disability and Deferred Vested pension benefits. The Plan also provides benefits to eligible survivors of deceased participants.

This is your Summary Plan Description for the Pension Plan reflecting the agreement that is effective as of October 25, 2019, and as it applies to participants who retire or otherwise terminate employment on or after August 1, 2019. If you retired or otherwise terminated your employment before August 1, 2019, the rules of the Plan document as in effect when you left will apply to you. If you need information about the Plan as in effect previously, please contact the Plan Administrator.

This Summary Plan Description provides you with information about your rights and benefits under the Plan in plain, easy-to-understand language. Because this is only an overview of the Plan, not all provisions of the Plan are discussed.

The Plan is maintained pursuant to a collective bargaining agreement between the Company and the International Union, UAW, Locals 171, 677, 1247, 2301 and 2420. You may obtain a copy of the collective bargaining agreement by writing to the Plan Administrator (see last page of this Summary for address). Additionally, the collective bargaining agreement is also available for examination by participants and beneficiaries at the office of the Plan Administrator and at the office of each Local.

The general explanation provided in this summary does not change, expand or otherwise interpret the terms of the Plan. The complete text of the official Plan document may be obtained from the Plan Administrator. If there are any differences, conflicts or inconsistencies between the information contained in this document and the official Plan document, the Plan document will always govern.

We encourage you to read this booklet carefully and share it with your family. If you have any questions about the Plan after reading this material, please contact your local Human Resources Department, Benefits Representative, or call Mercer HR Services at 1-800-356-9240 or log into www.ibenefitcenter.com.

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Participation in the Plan

You are eligible to be an active participant in the Plan if:

- you are an active employee of Mack Trucks, Inc. or a UAW facility under the Mack Master Agreement (the “Company”); and
- you are represented by UAW Locals 171, 472, 677, 1247, 2301, 2420 or 5841; and
- you were hired or rehired before June 1, 2009.

Earning Service

You can earn two types of service under the Plan: credited service and vesting service.

Credited Service

Your credited service is based on the hours of pay you receive from the Company in a calendar year and is used to calculate the benefits you will receive under the Plan.

To count as a full year of credited service, you must be paid for at least 1,700 hours.

You will receive proportionate credit (i.e., a partial year of credited service) to the nearest 1/10 of a year for years in which you receive pay for less than 1,700 hours. If you complete at least 1,615 hours during a calendar year, you will receive credit for a full year. For example, suppose you complete 1,620 hours during a year. You will receive $1,620/1,700 = .953$ years, which would round to 1.0 year of credited service.

You may also receive credited service for periods during which you:

- are on an approved leave of absence for the purpose of permitting you to hold a position with the Local Union;
- are on an approved leave of absence for the purpose of permitting you to hold a position with the International Union;
- are in active service up to five years in the Armed Forces; or
- are on an approved leave of absence due to an occupational injury or illness and receiving Workers’ Compensation.

In addition, if you have seniority as defined in the collective bargaining agreement, you may also be granted credit for time during which you are absent due to a layoff or a Company-approved sick leave, provided you have received pay from the Company for at least 170 hours of work in the year your layoff or sick leave begins.

To avoid duplication, pay for unused vacation does not count as credited service. However, pay for accrued vacation does count as credited service.

Pay for unused vacation or accrued vacation is recognized for the purpose of satisfying the 170-hours requirement described above.

Vesting Service

Your vesting service is equal to the number of years from your employment date to your severance date and is used to determine whether you are entitled to a benefit under the Plan. Years of service are calculated on the basis of completed months, with a completed month meaning the period of work from a particular day in a given month through the day preceding that day in the next month. An additional full month is awarded for any portion of a month beyond a completed month.

You also earn credit toward years of vesting service for periods during which you are absent from work on unpaid leave under the Family and Medical Leave Act of 1993 and for periods during which you are absent from work due to military service and you meet the requirements of the Uniformed Services Employment and Reemployment Rights Act.

You stop earning vesting service when your employment with the Company ends ("severance date"). However, you may continue to earn vesting service during:

- a Company-approved leave of absence for a period of up to two years;
- a layoff of up to two years, provided you don't refuse recall within that period; or
- a period of up to one year following your termination of employment from the Company, if you return to the Company within that year.

Transfers Into a Bargaining Unit or Creation of a New Bargaining Unit

If you become covered under the Plan because you are transferred into a covered bargaining unit or because you become a member of a newly formed bargaining unit, you may retain all of the credited and vesting service you had earned under any other Company retirement plan as of the time of transfer. To avoid duplication, the benefit payable from the Plan will be offset by the benefit payable under any other Company retirement plan.

Transfers Out of the Plan

If your coverage under this Plan ends because you are no longer represented by one of the UAW locals identified in the "Eligibility" section of this summary, you will retain the credited service that you had earned under this Plan and you will continue to earn vesting service as long as you are employed by the Company.

Breaks in Service

You will have a "break in service," if you cease working for the Company before accumulating five years of vesting service and thus before you become eligible for a Deferred Vested Pension. If you have a break in service, you may lose all of your years of credited service and vesting service. Depending upon the length of the break, the loss may be temporary and the previously accrued years of credited service and vesting service may be restored upon resumption of work with the Company. A longer break is

permanent, meaning that years of credited service and vesting service cannot be restored even if you later return to work with the Company.

For these purposes, your Severance Date is the date as recorded in the Company's records, on which you quit, retire, are discharged, or die, or, if earlier, the first anniversary of the first day of a period during which you remain absent from service with the Company and all Affiliated Companies (with or without pay) for any reason.

You shall incur a One-Year Period of Severance if your employment with the Company is severed and you remain out of the employment of the Company for the 12-month period ending on the day before the anniversary of your Severance Date.

If you sever your employment before accumulating five years of vesting service, you will permanently lose your years of credited service and years of vesting service if you are not reemployed by the Company before you incur five consecutive One-Year Periods of Severance.

If you sever your employment before accumulating five years of vesting service, you may nevertheless have your years of credited service and years of vesting service restored if you are re-employed by the Company before you incur five consecutive One-Year Periods of Severance, so long as you have earned one year of vesting service following your return to employment.

Notwithstanding the foregoing, an absence for one or more of the following reasons shall not be considered a severance from service: (a) layoff for a period not in excess of two years; (b) Company-approved leave of absence for a period not in excess of two years; (c) military service that meets the requirements for coverage under the Uniformed Services Employment and Reemployment Rights Act or such that the right to reemployment is protected by any other law; or (d) unpaid leave under the Family and Medical Leave Act of 1993. Additionally, if you are absent from work beyond the first anniversary of the first day on which you are absent by reason of pregnancy, childbirth or adoption, or for the purpose of the care for your child immediately after birth or adoption, the 12-consecutive-month period beginning on the first anniversary of the first day of such absence shall be neither a one-year period of severance nor a year of credited service or vesting service.

Qualifying for Benefits Under the Plan

You may qualify for any of three types of retirement under the Plan:

- Normal
- Early
- Disability

The Plan also provides a deferred vested pension if you break seniority after you have completed five years of vesting service but before you qualify for one of the three types of retirement shown above.

Normal Retirement

You are eligible to receive a Normal Retirement benefit if you retire at or after age 65 (the Plan's Normal Retirement Age) and you have earned at least five years of credited service.

Early Retirement

You are eligible for Early Retirement benefits if:

- You retire after earning at least 30 years of credited service (regardless of your age); or
- You retire between ages 60 and 65 and you have earned 10 or more years of credited service; or
- You retire between ages 55 and 62 and your age plus your years of credited service equal at least 85; or
- You retire after age 55 because your job is eliminated due to the sale, transfer or permanent discontinuance of a product line or business segment, provided that at least 20% of all bargaining unit employees in the plant, or 150 bargaining unit employees, are terminated as the direct result of that sale, transfer or discontinuance, and further provided that you would have met one of the eligibility conditions for early retirement described above if you had continued in employment for a period of time equal to your vesting service.

Disability Retirement

You may be eligible for Disability Retirement benefits if:

- you are totally and permanently disabled because of an illness or injury; and
- you are younger than age 65; and
- you have earned at least 10 years of credited service.

You are totally and permanently disabled if you have a permanent incapacity which results in your being unable to engage in any regular employment or occupation, by reason of any medically demonstrable physical or mental condition, with the Company at the plant or plants where you work, provided you are not engaged in paid regular employment (excluding employment or occupation which on the basis of medical advice

the Board of Administration determines to be for purposes of rehabilitation). You will not be considered to be totally and permanently disabled if your incapacity resulted from service in the armed forces of any country, provided, however, that this restriction shall not prevent you from being deemed to be totally and permanently disabled as described herein if you have accumulated at least five years of seniority after separation from service in the armed forces and before such incapacity occurs.

To qualify for Disability Retirement benefits, you will be required to submit to an independent medical examination by a doctor selected by the Board of Administration. In addition, you may be required to submit to periodic reexaminations up to twice a year at the Board's request to determine your continuing eligibility for benefits.

Deferred Vested Pension

If you incur a break in seniority before you qualify for one of the three types of retirement mentioned above and you have five or more years of vesting service, you qualify to receive an unreduced deferred vested pension when you reach age 65 or a reduced deferred vested pension when you reach age 60 (or if earlier, when the sum of your age, to the nearest one-tenth year, plus your credited service equals 85). If your benefit commences before age 65, it is reduced by 7.2% for each year (or .6% for each month) by which benefits begin before your 65th birthday.

Calculating Your Benefits

Your basic benefit from the Plan is called your Life Income benefit.

Normal Retirement

Your Normal Retirement Life Income benefit is determined as of the date you retire, and is calculated by multiplying your credited service times the Life Income benefit rate applicable to your retirement date.

The Life Income benefit rates are as follows:

Retirement Date	Life Income Benefit Rate
January 1, 20 <u>20</u> or later	\$ <u>49</u> .50

Benefit Escalation

If you retire from active service on or after August 1, 2019 and prior to October 1, 2023, your pension will be adjusted to reflect the scheduled increase in the plan's Benefit Rate. For example, suppose you retire in 2019 when the Benefit Rate is \$48.50. Your pension will be based on the \$48.50 level. Your pension will increase on January 1, 2020, when the Benefit Rate increases to \$49.50. It will remain at this (\$49.50) level thereafter.

An Example of Your Normal Retirement Pension Benefit

Assume that you retire in 2019 (on or after August 1) at age 65 with 20 years of credited service.

Your monthly Normal Retirement Benefit would be determined as follows:

Year	Monthly Pension
201 <u>9</u>	$\$48.50 \times 20 = \970
20 <u>20</u> and later	$\$49.50 \times 20 = \990

Early Retirement

Your Early Retirement Life Income benefit is also determined as of the date you retire and is calculated by multiplying your credited service times the Life Income benefit rate applicable to your retirement date times the reduction factor for early commencement.

The early retirement reduction factor is based on the following table:

Retirement Date	Early Retirement Factor	
	Under Age 60	60 and Over
January 1, 2017 or later	.9381	1.000

Benefit escalation (described above) applies to Early Retirement Benefits.

If you retire on an Early Retirement Date, you may also be eligible for a Supplemental Allowance. Please see Page 15 for a description of the Supplemental Allowance.

An Example of Your Early Retirement Pension Benefit

Assume that you retire in 2019 (on or after August 1) at age 58 with 30 years of credited service.

You would be eligible for the supplemental allowance and your Early Retirement Benefit payable until age 62 and one month would be as follows:

<u>Year</u>	<u>Monthly Pension</u>
2019 and later, until age 62 and one month	\$2,480

Your monthly Early Retirement Benefit payable after age 62 and one month would be determined as follows: $\$49.50 \times 30 \times .9381 = \$1,393$

In this example, because you attain age 62 and one month after January 1, 2020, your pension is calculated using a benefit level and early retirement factor of \$49.50 and .9381, respectively.

An Example of Your Early Retirement Pension Benefit

Assume that you retire in 2019 (on or after August 1) at age 58 with 27 years of credited service.

You would be eligible for the supplemental allowance and your early retirement pension would be determined as follows:

<u>Year</u>	<u>Monthly Pension</u>
2019 and later, until age 62 and one month	$27/30 \times \$2,480 \times 76\% = \$1,696$

Your monthly Early Retirement Benefit payable after age 62 and one month would be determined as follows: $\$49.50 \times 27 \times .9381 = \$1,253$

In this example, because you attain age 62 and one month after January 1, 2020, your pension is calculated using a benefit level and early retirement factor of \$49.50 and .9381, respectively.

Disability Retirement

If you qualify for Disability Retirement, you will receive an unreduced benefit determined in the same manner as the Normal Retirement benefit above.

Benefit escalation (described earlier) applies to Disability Retirement Benefits.

In addition, if you begin receiving your disability benefit before you reach age 62 and one month (or become eligible to receive an unreduced Social Security benefit), your disability retirement benefit may be increased by an additional amount called the Temporary Benefit. The amount of your Temporary Benefit is determined by multiplying your credited service up to a maximum of 30 years times the current rate, \$35.85. When you reach age 62 and one month, or you become eligible to receive an unreduced Social Security benefit (if earlier) your Temporary Benefit will stop.

An Example of your Disability Retirement Benefit

Assume that you retire after qualifying for total and permanent disability in 2019 (on or after August 1), at age 45 with 20 years of credited service. Your monthly Disability Retirement Benefit would be determined as follows:

Life Income benefit	=	\$ <u>48</u> .50 x 20	=	\$ 9 <u>70</u>
Temporary benefit	=	\$35.85 x 20	=	717
Total				\$1, <u>687</u>

Because of benefit escalation, your monthly benefit would increase, effective January 1, 2020, as follows:

Life Income benefit	=	\$ <u>49</u> .50 x 20	=	\$ 9 <u>90</u>
Temporary benefit	=	\$35.85 x 20	=	717
Total				\$1, <u>707</u>

When you reach age 62 and one month, your Temporary benefit will stop, and your pension will be \$990 per month.

Deferred Vested Pension

If you terminate employment with the Company and you qualify for a Deferred Vested pension, you may elect to begin receiving your benefit the first of any month following your 60th birthday (or, if earlier, the first day of the month following the month in which the sum of your age, to the nearer one-tenth year, plus your credited service, equals 85). The amount of your Deferred Vested pension is determined based on the date you broke seniority. If you break seniority, the benefit rate for each year of credited service is based on the benefit rates in the following table:

Date as of which Seniority is Broken	Life Income Benefit Rate
January 1, 201 <u>9</u> – December 31, 201 <u>9</u>	\$4 <u>8</u> .50
January 1, 20 <u>20</u> or later	\$4 <u>9</u> .50

Deferred Vested Pensions are payable as a life annuity only, subject to your spouse's Survivor Benefit rights. The Plan contains no provisions for lump-sum or disability payments of Deferred Vested Benefits. If you begin receiving payment of your Deferred Vested pension before you reach age 65, this benefit will be permanently reduced by 6/10ths of 1% for each month between your age at the commencement of payments and your 65th birthday.

Benefit escalation (described above) does not apply to Deferred Vested Pension benefits. If you break seniority prior to becoming eligible to retire, your pension will be determined using the Life Income benefit rate in effect when your seniority is broken and you will not be eligible for benefit escalation.

An Example of Your Deferred Vested Pension

Assume that you terminate employment in 2019 (on or after August 1) at age 45 with 10 years of credited service.

Your monthly pension payable at age 65 would be determined as follows:

$$10 \times \$48.50 = \$485.00$$

Instead, you can elect to begin to receive your pension as early as age 60. In that case, your monthly pension would be determined as follows:

$$10 \times \$49.50 \times 64\% = \$316.00$$

Survivor Benefits

The Plan also provides benefits for your eligible survivors in the event of your death. These benefits may include a Regular Survivor benefit, a Pre-Retirement Survivor benefit, or Transition and Bridge Survivor Income benefits.

Regular Survivor Option

A Regular Survivor benefit is paid to your eligible spouse in the event of your death after retirement or if you die while still an active employee but after you become eligible for Normal or Early retirement.

Eligibility and Waiver

Your benefits automatically include the Regular Survivor Option if:

- you retire on Normal or Early retirement; or
- you retire on Total and Permanent disability and you are at least 55 years of age.

Your benefits are subject to the Regular Survivor Option that becomes effective on the later of: 1) the date you retire, or 2) the date you and your spouse have been married for one year.

If you retire on Total and Permanent disability, have less than 30 years of credited service, and are less than 55 years of age, the Regular Survivor Option will be effective on the later of:

- the first day of the month following your 55th birthday; or
- the date you and your spouse have been married for one year.

Your benefits under a Deferred Vested pension are subject to the Regular Survivor benefit on the later of:

- the date payment of your Deferred Vested pension begins; or
- the date you and your spouse have been married for one year.

If you do not wish for your spouse to receive Regular Survivor benefits, you may elect to waive the option by notifying the Board of Administration during the 180-day period preceding the date the option is due to take effect. In other words, if you do not want your pension to be reduced, as described below (because your spouse is more than 10 years younger than you), you can waive coverage during the 180-day period prior to your benefit commencement date. This notice must include your spouse's consent to this waiver, and your spouse's signature must be notarized unless witnessed by a Company representative.

In addition, your survivor option may be canceled in the event you lose your spouse through death or divorce. Cancellation will become effective on the first day of the month following the month that the Board of Administration receives proof of your spouse's death or your divorce.

Effect of the Monthly Survivor Benefit on Your Pension

If you have a monthly survivor benefit in effect, your Life Income benefit may be reduced to provide for continued benefits to your surviving spouse. If your spouse is more than 10 years younger than you, your Life Income benefit will be reduced by $\frac{1}{2}\%$ for each year in excess of the 10 that your spouse is younger than you. For example, if your spouse is 12 years younger than you, your Life Income benefit will be reduced by 1% ($\frac{1}{2}\% \times 2$). The reduced amount of your pension is referred to as your Adjusted Life Income benefit.

Calculating Your Survivor Benefit

The benefit your surviving spouse will be eligible to receive is equal to 55% of your Adjusted Life Income benefit. You may also elect to provide a survivor benefit of 75% to your spouse. If you choose this option, your benefit will be reduced on an actuarially equivalent basis.

If You Die While Still Employed

In the event of your death while you are still employed but after you become eligible to retire under the Normal or Early retirement provisions of the Plan, your spouse will be eligible to receive a Survivor Pension benefit. This Survivor Pension benefit is equal to 55% of the Life Income benefit you would have received if you had retired and begun to receive benefits on the first day of the month preceding your death.

Pre-Retirement Survivor Option

Until you are eligible for coverage under the Regular Survivor Option, your spouse is automatically covered by the Pre-Retirement Survivor Option if you:

- are an active participant in the Plan; and
- have at least five years of Vesting Service; and
- have been married to your spouse for at least one year.

You are also covered by this option if you broke seniority after January 1, 1985 and have been found eligible for a deferred vested pension.

If you die while covered under the Pre-Retirement Survivor Option, your spouse will receive a benefit equal to 55% of the Life Income benefit you would have received if you had survived to your earliest possible retirement date. Payment to your surviving spouse will begin on the first day of the month following the month you would have become eligible to retire.

If you do not wish to be covered by the Pre-Retirement Survivor Option, you may submit a waiver to the Board at any time before your coverage becomes effective. Your spouse must consent to your waiver in writing.

If you are divorced, you can elect to cancel your coverage without your spouse's consent by providing satisfactory proof of divorce to the Board of Administration.

Your coverage under the Pre-Retirement Survivor Option will automatically be canceled when you become eligible for coverage under the Regular Survivor Option.

Transition and Bridge Survivor Income Benefits

Transition and Bridge Survivor Income Benefits may be paid to your eligible survivors if you die 1) while actively employed, 2) while receiving a Total and Permanent Disability pension benefit, or 3) while on layoff and insured for Group Life Insurance. These benefits are designed to help your family adjust to the loss of your income.

Eligible survivors include:

- Your spouse, provided you were married for the one-year period immediately prior to your death;
- Your unmarried children who are:
 - under 21 years of age;
 - between 21 and 25 years of age, legally residing with you and dependent on you; or
 - over 25 years of age, totally and permanently disabled, legally residing with and dependent on you.

Children include your natural children, legally adopted children, and step-children residing with you at the time of your death.

In some cases, if there is no eligible spouse or children, benefits may also be paid to your parents or adoptive parents, provided they were dependent on you at the time of your death for at least 50% of their support.

Transition Benefits

Transition benefits will be paid to your eligible survivors beginning on the first day of the month following your death and continuing for a maximum of 24 months.

If only one survivor is entitled to benefits, and this survivor is not eligible for an unreduced Old Age, Survivor or Disability benefit under the Federal Social Security Act, the monthly Transition benefit will be \$600.

If the survivor is eligible for an unreduced Old Age, Survivor, or Disability benefit under the Federal Social Security Act, the Transition benefit will be \$325.

If more than one survivor is entitled to benefits, the applicable Transition benefit will be divided equally among the eligible survivors. For example, if an employee dies in **2020** and benefits are payable to two children, neither of whom are eligible for Social Security benefits, each child would receive \$300.00 (\$600 divided by 2).

Bridge Benefits

After the maximum period for Transition benefits, your surviving spouse may also be eligible to receive Bridge benefits. To qualify for Bridge benefits, your spouse must be:

- at least 45 years of age at the time of your death, or the sum of your spouse's age at the time of your death and your credited service equals at least 55; and
- unmarried at the time benefits begin; and
- ineligible to receive full Widow or Widower's benefits under Social Security; and
- ineligible to receive an Old Age, Survivor, or Disability benefit under Social Security.

The monthly Bridge benefit will be \$600.

Bridge benefits will be payable to a surviving spouse until the earlier of:

- Age 62 and one month; or
- Remarriage.

If the Transition/Bridge benefit payment period extends beyond the date that benefits would begin under the Regular Survivor Option or the Pre-Retirement Survivor Option (as applicable), your spouse will receive the greater of the Transition/Bridge benefit or the Survivor benefit until the expiration of the Transition/Bridge benefit payment period.

Survivor Benefits for Retirees Receiving a Disability Retirement Benefit

If you die while in receipt of a Disability Retirement benefit, your spouse will receive Transition benefits and Bridge benefits (if applicable).

If you die before you have attained age 55, or if you retired before you had 30 years of credited service, your spouse will receive benefits under the Pre-Retirement Survivor Option (see page 17). If you die after age 55, or if you had 30 years of service when you retired, your spouse will receive benefits under the Regular Survivor Option (see page 15).

Other Benefits Provided by the Plan

Supplemental Allowance

If you retire under the early retirement provisions of the Plan before reaching age 62 and one month, you may be eligible to receive a Supplemental Allowance. The Supplemental Allowance is designed to provide a predetermined level of benefits until you become eligible for Social Security benefits. If you retire with 30 years of credited service, you receive the maximum Supplemental Allowance. If you retire with less than

30 years of credited service, you receive a proportionate amount. In addition, if you retire with less than 30 years of credited service, your benefit will be reduced for early commencement if your retirement precedes age 60.

If you retire on or after August 1, 2019 with 30 or more years of credited service, your maximum monthly benefit would be as follows:

<u>Year</u>	<u>Maximum Monthly Benefit</u>
2019 and later	\$2,480

Benefit escalation (described on page 14) applies to the Supplemental Allowance.

If you retire with less than 30 years of credited service, you will receive a proportionate amount. For example, if you had 20 years of credited service and you retired on September 1, 2019 on or after age 60, your maximum monthly benefit would be $20/30 \times \$2,450$ or \$1,633. If you retire before age 60, your maximum monthly benefit will be reduced by 1% for each month that your retirement date proceeds the first day of the month that you turn age 60. For example, if you retire at age 58 (24 months early) with 20 years of service, your monthly benefit will be reduced by 24% to \$1,241 ($\$1,633 \times 76\%$). Your monthly benefit would be adjusted each year to reflect the scheduled benefit rate increases (see the examples on page 13.)

Part of this maximum amount will be provided by your Life Income benefit, and the balance will be your Supplemental Allowance.

Special Age 65 Benefit

The Special Age 65 benefit is intended to reimburse a retired employee or spouse for a portion of premium required for Medicare Part B coverage.

You are eligible to receive the Special Age 65 benefit if you are at least age 65 or you are enrolled for Medicare Part B coverage. Your spouse (or your surviving spouse in the event of your death) is also eligible to receive the Special Age 65 benefit if he or she is enrolled for Medicare Part B coverage. The benefit is not payable to you (or your spouse) if you retire with a Deferred Vested Pension (see page 11).

The monthly amount of the Special Age 65 benefit is the actual Medicare Part B premium, up to a maximum of \$115.00.

Payment of the Special Age 65 benefit will begin on the earlier of:

- The first day of the month in which you, your spouse, or your surviving spouse turns age 65, or
- The date you, your spouse, or your surviving spouse enrolls in Medicare Part B coverage.

Please note that if you become eligible for Medicare Part B coverage before your 65th birthday, payment of the Special Age 65 Benefit will not begin until the first day of the month after you submit a copy of your Medicare card to the Board of Administration.

Effects Agreements

If you elected to participate in the retirement incentive program described in the Baltimore PDC Effects Agreement, you will be credited with additional years of credited service for purposes of determining your eligibility to retire under the Plan and for purposes of determining the amount of your pension benefit. The period for which additional years of credited service will be credited begins on the date of your layoff, and ends on the date you begin to receive pension benefits. If you meet two or more thresholds for early retirement, you can retire on either date and the plan provisions applicable to that retirement date apply. In addition, if you attain age 60 during the contract term (before October 1, 2019), your life income benefit will be calculated with no reduction for early commencement.

If you elected to participate in the retirement incentive program described in the Jacksonville PDC Effects Agreement, and you attain age 60 and retire before the end of the contract (October 1, 2019), your life income benefit will be calculated with no reduction for early commencement.

Payment of Benefits

Payment of your benefits will generally begin on the first day of the month that coincides with or follows the date you retire. However, if you work beyond age 70½, you can elect to begin to receive your pension as of the April 1 following the year in which you attain age 70½, even if you are still working for the Company.

If you were less than age 65 on May 1, 2012, and you work after your normal retirement age, your pension will be equal to the greater of (a) your accrued benefit as of May 1, 2012 actuarially increased from your normal retirement date to the date as of which your benefit commences to be paid and (b) your accrued benefit determined as of your benefit commencement date.

If you were at least age 65 on May 1, 2012, and you retire after that date, your pension will be equal to the greater of (a) your accrued benefit as of your normal retirement date actuarially increased from your normal retirement date to the date as of which your benefit commences to be paid and (b) your accrued benefit determined as of your benefit commencement date.

Applying for Benefits

To receive any benefit under the Plan, you must complete and return an application form. To obtain an application form, contact your local Human Resources Department,

Local UAW Benefits Representative or Mercer (1-800-356-9240) no earlier than 180 days prior to the date you wish to commence benefits.

If your claim is denied, in whole or in part, you will receive written notification of the Board's decision within 90 days of the date the Board received your claim. This notification will include the specific reasons for the decision, reference to the specific Plan provisions on which the decision is based, a description of any additional information needed to complete the claim and why such information is necessary, and a description of the Plan's review procedures and the time limits applicable to such procedures, including a statement of your right to bring a civil action under §502(a) of ERISA following a denial on review.

In some cases, the Board may require more than 90 days to make a decision regarding your claim. In this case, the Board may take up to an additional 90 days, provided you are notified of the extension within the initial 90-day period together with an explanation of why more time is needed.

Appeal Procedures

If your claim for benefits is denied, in whole or in part, you may appeal the denial in writing within 60 days after you receive the denial. You or your representative have a right to review, upon request and free of charge, pertinent plan documents, records and other information and to submit a written statement, documents, records or other information in support of your claim.

The Board will conduct a full review of your claim and make a decision on the appeal within 60 days after they receive your written request for review.

In some cases, the Board may need more time to make a decision. In such a case, they may take an additional 60 days, provided you are notified of the extension within the initial 60-day period together with an explanation of why more time is needed.

The Board's decision regarding your appeal will be conveyed to you in writing. The Board's notice to you regarding its decision will include the specific reasons for the decision, reference to the specific Plan provisions on which the decision is based, a statement that you are entitled to receive, upon request and free of charge, pertinent Plan documents, records and other information, and a statement of your right to bring a civil action under §502(a) of ERISA.

Additional Plan Information

Limits on Benefits

The Internal Revenue Service has established certain limits on the amount of benefits employees may receive from the Plan. If your benefits are affected by these limitations, you will be notified by the Plan Administrator.

Benefits Payable to Minors and Individuals Declared Legally Incompetent

If the Board determines, after receiving appropriate proof, that the person to whom benefits under the Plan are payable is incapable of looking after their own affairs because of illness, injury, or minor status, payment may be made to the spouse, parent, child, brother, sister or legal guardian who is responsible for the person.

Vesting

No employee or other person will have any vested rights under the Plan, except rights, if any, that accrue on retirement or upon attaining eligibility for deferred vested or survivor benefits as described in the Plan.

Nonalienation of Benefits

In general, no one can take away your benefits under this Plan and you cannot give or sell them to someone else or use them as collateral for a loan. Also, your creditors cannot claim your benefits to satisfy your debts.

However, in the case of certain Qualified Domestic Relations Orders relating to provisions for child support, alimony, or marital property rights of your spouse, part or all of your benefits may be assigned to meet those obligations. If a court issues a Qualified Domestic Relations Order that applies to you, you will be notified by the Plan Administrator before any action is taken.

The Board of Administration has established procedures for determining whether an order constitutes a Qualified Domestic Relations Order. Participants and beneficiaries can obtain a copy of such procedure, without charge, from the Board of Administration.

Offsets For Payments Made Because of a Qualified Domestic Relations Order

The amount of monthly pension benefits otherwise payable to you at retirement will be reduced by the actuarially equivalent value of any past and future benefits paid to any other person under a Qualified Domestic Relations Order. If this reduction applies to you, you will be notified by the Plan Administrator.

Re-employment After Retirement

If you are re-employed by Mack Trucks after you retire, you will continue to receive your Life Income benefit, but not your Supplemental Allowance (if any). However, if you are employed by a Volvo company other than Mack trucks, you will continue to receive both your Life Income benefit and your Supplemental Allowance.

Deductions for Workers' Compensation

If you become eligible for Workers' Compensation benefits as a result of a claim filed more than two years after you retire or break seniority, a deduction will be made from your monthly benefit equal to the amount of payments you received under Workers' Compensation provided these benefits are attributable to premiums, assessments, taxes or other payments made by or at the expense of the Company.

Plan Costs and Funding

The entire cost of benefits under this Plan is paid by the Company. Contributions are actuarially determined and paid to a Trust Fund set up for this purpose. No contributions from employees are required or permitted.

Amendment or Termination of the Plan

The Company expects the Plan to continue, however the Company reserves the right to amend or terminate the Plan at any time with the mutual agreement of the Company and the Union. If any change to the Plan is required by the Internal Revenue Service for compliance with the Internal Revenue Code, the change may be made retroactively, if necessary.

Should the Plan terminate, the assets remaining in the Trust Fund after administrative expenses have been paid would be used to pay benefits according to priorities outlined in the Plan document.

The first priority would be to pay benefits to participants, beneficiaries, or surviving spouses who were already receiving benefits as of the three-year period ending on the date of plan termination, or who would have had a right to receive such benefits if the participant had retired before the plan termination.

The next priority would be to use any remaining assets in the Trust Fund to pay all other benefits guaranteed by the Pension Benefit Guaranty Corporation (see below). Then, payment of all other vested benefits under the Plan other than those that became vested because of the plan termination would be made. Finally, if any assets remained in the Trust, payment of any other eligible benefits under the Plan would be made.

Pension Benefit Guaranty Corporation

Your benefits under the Mack-UAW Pension Plan are insured by the Pension Benefit Guaranty Corporation (PBGC), a Federal insurance agency. If the Plan terminates (ends) without enough money to pay all benefits, the PBGC will step in to pay pension

benefits. Most people receive all of the pension benefits they would have received under the Plan, but some people may lose certain benefits.

The PBGC guarantee generally covers (1) normal retirement benefits, (2) disability benefits if you become disabled before the Plan terminates, and (3) certain benefits for your survivors.

The PBGC generally does not cover: (1) Benefits greater than the maximum guaranteed amount set by law for the year in which the Plan terminates; (2) some or all of benefit increases and new benefits based on Plan provisions that have been in place for fewer than 5 years at the time the Plan terminates; (3) benefits that are not vested because you have not worked long enough for the Company; (4) benefits for which you have not met all of the requirements at the time the Plan terminates; (5) certain early retirement provisions (such as supplemental benefits that stop when you become eligible for Social Security) that result in an early retirement monthly benefit greater than your monthly benefit at the Plan's normal retirement age; and (6) non-pension benefits, such as health insurance, life insurance, certain death benefits, vacation pay and severance pay.

Even if certain of your benefits are not guaranteed, you still may receive some of those benefits from the PBGC depending upon how much money your Plan has and on how much the PBGC collects from employers.

For more information about the PBGC and the benefits it guarantees ask the Board of Administration or go to the PBGC's website, www.pbgc.gov or call toll-free at 1-800-400-7242 (TTY/TDD users may call the Federal relay service toll-free at 1-800-877-8339 and ask to be connected to 1-800-400-7242).

Your Rights Under ERISA

As a participant in the Mack-UAW Pension Plan, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974, as amended (ERISA). ERISA provides that all participants of the Plan shall be entitled to:

- Examine, without charge, at the Plan Administrator's office and at other specified locations such as worksites and union halls, all documents governing the Plan, including insurance contracts and Collective Bargaining Agreements and a copy of the latest annual report (Form 5500 Series) filed by the Plan with the U.S. Department of Labor, and available at the Public disclosure Room of the Employee Benefits Security Administration.
- Obtain, upon written request to the Board of Administration, copies of all documents governing the Plan, including insurance contracts and collective bargaining agreements, and copies of the latest annual report (Form 5500 Series) and updated summary plan description. The Board of Administration may make a reasonable charge for copies.
- Receive a summary of the Plan's annual financial report. The Board of Administration is required by law to furnish each participant with a copy of this Annual Funding Notice.

- Obtain a statement telling you whether you have a right to receive a pension at normal retirement age (age 65) and if so, what your benefits would be at normal retirement age if you stop working under the Plan now. If you do not have a right to a pension, the statement will tell you how many more years you have to work to get a right to a pension. This statement must be requested in writing and is not required to be given more than once every twelve (12) months. The Plan must provide the statement free of charge.

In addition to creating rights for Plan participants, ERISA imposes duties upon the people who are responsible for the operation of the employee benefit plan. The people who operate your Plan, called “fiduciaries” of the Plan, have a duty to do so prudently and in your interest and that of other Plan participants and beneficiaries.

No one, including your employer, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a pension benefit or exercising your rights under ERISA.

If your claim for a pension benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of Plan documents or the latest annual report from the Plan and do not receive them within 30 days, you may file suit in a federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Board of Administration.

If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or Federal court. In addition, if you disagree with the Board of Administration’s decision or lack thereof concerning the qualified status of a domestic relations order, you may file suit in Federal court. If it should happen that Plan fiduciaries misuse the Plan’s money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in Federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

If you have any questions about your Plan, you should contact the Board of Administration. If you have any questions about this statement of your rights under ERISA, contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory, or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, DC 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

Administrative Information

This section provides you with information about how the Mack-UAW Pension Plan is administered.

Plan Name

Mack-UAW Pension Plan

Type of Plan

This Plan is a defined benefit pension plan designed to provide retirement benefits to eligible employees and their survivors.

Plan Number

004

Employer Identification Number

22-1582040

Plan Year

January 1 through December 31

Agent for Service of Legal Process

Corporate Secretary
c/o Mack Trucks, Inc.
7900 National Service Road
Greensboro, NC 27409
(Service may also be made upon the Plan Administrator or the Plan Trustee)

Plan Sponsor/Plan Administrator

Mack Trucks, Inc.
7900 National Service Road
Greensboro, NC 27409

Plan Trustee

JP Morgan Chase Bank
3 Chase MetroTech Center, Floor 6
Brooklyn, NY 11245

Board of Administration

The Plan is administered by the Mack-UAW Joint Board of Administration. One-half of the Board members are appointed by the Company and one-half of the Board members are appointed by the Union.

The Board of Administration is responsible for the day-to-day operation of the Plan. For example, the Board determines eligibility of employees to participate in the Plan, interprets Plan provisions and maintains records necessary for proper administration of the Plan. No member of the Board of Administration receives compensation for services on the Board.

The determination of the Board about any disputed question will be final and binding. Any claims for benefits or questions about the Plan should be addressed to the Board. You can contact the Board at the following address:

Mercer
Attn: Mack UAW Pension Board
PO Box 9622
Des Moines, IA 50306-0622

APPENDIX B

Mack Trucks, Inc.

Mack UAW Insurance Program

Summary Plan Description

The benefit coverage in effect on the date of execution of the Master Agreement, including the terms and conditions of coverage, the rules of initial eligibility, continuation of coverage and other general conditions of coverage contained in Appendix B dated October 25, 2019 or its replacement is your Summary Plan Description (SPD) for Welfare Benefits (Insurance Program) that replaces the original benefit agreement format and encompasses the terms of your agreement as well as required regulatory information. Although the format is new, this SPD is not bolded or underlined for ease of reading.

October 25, 2019

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INSURANCE PROGRAM
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APPENDIX B
INSURANCE PROGRAM
ARTICLE I

SECTION 1 Continuation of the Program

The Insurance Program which is attached as Appendix B to the Collective Bargaining Agreement between the parties dated June 1, 2009 (herein called the “2009 Insurance Program”) shall be amended, effective as of October 25, 2019 as described below, and maintained by the Company as amended for the duration of the Collective Bargaining Agreement of which Appendix B is a part.

SECTION 2 Continuation of Benefits

Provisions for payment of benefits under the 2009 Insurance Program will continue in accordance with the conditions, provisions, and limitations until October 1, 2019. On and after that date, benefits will be provided and paid by the Company under the amended 2019 Insurance Program as describe below (hereinafter known as the “Program”).

The Company shall arrange for group insurance coverage as here and after provided.

Such coverage will be arranged at the Company’s sole discretion, in any manner or through any organization, including, but not limited to, a program or programs provided by an insurance carrier, by arrangement with a hospital plan corporation, professional health service corporation, or similar plan or organization; through a preferred provider arrangement; through a self-insured plan; or through a combination of any such methods. The terms and conditions of coverage, including those amendments made in these negotiations, are continued on the assumption that the current arrangement to deliver benefit is continued on the traditional fee for service basis for the term of the labor agreement. The Company will not exercise its option to select an alternate delivery system until the parties have reached mutual agreement on the terms and conditions including restrictions, limitations and definitions that would be applicable to any alternate delivery system.

The benefits provided under this Agreement as described in the following pages of this Appendix, as amended from time to time pursuant to the mutual agreement of the parties, will remain in effect during the term of this Agreement and will not be altered by the provisions of any agreement between the Company and any benefit program

provider. If there is a conflict between the language of this Agreement and that of any agreement between the Company and any benefit program provider, the language of this Agreement shall control.

SECTION 3 Definitions

- a) **Employee** means an individual who is actively at work within the bargaining unit on or after the effective date of this Agreement, or who, on or after the effective date of this agreement, is, pursuant to the terms and conditions of the Collective Bargaining Agreement and Local Supplements, on personal leave of absence or sick leave, maternity leave, vacation or is permanently and totally disabled, but excluding one who is on military leave, or leave of absence with the International Union, or leave of absence because of election to federal, state county or municipal office.
- b) **Pension plan** means the Mack-UAW Pension Plan attached as Appendix A to the Collective Bargaining Agreement.

ARTICLE II

SECTION 1 Introduction to Coverage

Appendix B is a Summary Plan Description that explains the essential features and conditions of the group insurance benefits provided to you and your eligible dependents as of October 25, 2019, through the duration of the agreement. In general, the Plans cover active UAW employees of Mack Trucks, Inc. or any facility working under the Mack-UAW Master Agreement and their eligible dependents. This Appendix describes the details of the following programs:

- Life Insurance
- Accidental Death and Dismemberment Insurance
- Accident and Sickness Insurance
- Long Term Disability Insurance
- PPO Medical Coverage
- PPO Prescription Drug Coverage
- IBH Mental Health Coverage
- Vision Coverage
- Dental Coverage
- HMO Medical and Prescription Drug Coverage

SECTION 2 Eligibility and Commencement of Coverage

(a) Employee

If you were hired or rehired on or after January 1, 2014, and those previously hired who were not yet eligible for benefits, the coverages listed above will commence on the first day of third month immediately following your date of hire for both you and your eligible dependents, provided that if you are not actively at work when the coverage would otherwise take effect, coverage will not take effect until the day you return to full-time, active work. Human Resources (or the HR Service Center) will provide you the necessary enrollment forms.

When you enroll in Medical benefits (including waiver of coverage) you must do so within 31 days of your effective date of coverage. Your benefit election will remain in effect until you make a change. You may not make a change to your medical coverage election until the next annual enrollment period, unless you have a life event change (see examples below). This is because you are making your required medical contributions on a pre-tax basis (before taxes) and the IRS requires us to follow certain regulations (Section 125).

Pre-tax contributions are taken from your pay before Federal, Social Security and (in some locations) State taxes are taken. Because your taxable income is reduced, you pay fewer taxes and you never are required to pay tax on that income. This reduction in pay has no effect on the value of your life, accident, A&S and long term disability coverage or any other benefits based on pay.

Eligible dependents maybe added (or dropped) during your initial enrollment period, during annual enrollment or within 31 days of the life event change. Examples of life event changes include the following:

- Marriage, divorce, legal separation,
- Birth of a child, adoption or placement for adoption,
- Death of a spouse or child,
- When your child is no longer an eligible dependent,
- You, your spouse or your child lose coverage under another benefit plan or that coverage is significantly changed (your spouse loses his/her job or is reduced to part-time status), or
- Your COBRA coverage continuation period ends from another employer.

If you do not enroll your new dependents within 31 days, you must wait until the next annual enrollment period to do so. You must also drop your ineligible dependents within 31 days to reduce your medical contributions.

(b) Eligible dependents include:

- The lawful spouse of an employee (including a spouse of a common-law marriage, as recognized by Pennsylvania Commonwealth Law with legal documentation provided), provided that the newly married spouse of a benefit-eligible employee will be eligible for coverage as of the date of marriage; and
- any child of the employee who is:
 - less than 26 years old regardless of dependency, marital or student status;
 - 26 or more years old and primarily supported by you and incapable of self-sustaining employment by reason of mental or physical handicap. Proof of the child's condition and dependence must be submitted to the Plan within 31 days after the date the child ceases to qualify above. During the next two years the Plan may, from time to time, require proof of the continuation of such condition and dependence. After that, the Plan may require proof no more than once a year.
 - A child includes a legally adopted child. It also includes a stepchild or foster child. Any child under the age of 26 who is adopted by you, including a child who is placed with you for adoption, will be eligible for Dependent Coverage upon the date of placement with you. A child will be considered placed for adoption when you become legally obligated to support that child, totally or partially, prior to that child's adoption. If a child placed for adoption is not adopted, all health coverage ceases when the placement ends, and will not be continued.
 - A child under Qualified Medical Child Support Order (QMCSO). If a QMCSO is issued for your child, that child will be eligible for coverage as required by the order and you will not be considered a Late Entrant for Dependent Coverage. You must notify your Employer and elect coverage for that child and yourself, if you are not already enrolled, within 31 days of the QMCSO being issued. Any payment of benefits in reimbursement for Covered Expenses paid by the child, or the child's custodial parent or legal guardian, shall be made to the child, the child's custodial parent or legal guardian, or a state official whose name and address have been substituted for the name and address of the child.
 - Special Enrollment Notice: if you are declining coverage for yourself or your eligible dependents because of other health insurance coverage, you may in the future be able to enroll yourself or your eligible dependents in health

coverage, provided that you request enrollment within 31 days after your other coverage ends.

Eligible employees and dependents may also enroll under two additional circumstances:

- The employee's or dependent's Medicaid or Children's Health Insurance Program (CHIP) coverage is terminated as a result of loss of eligibility; or
- The employee or dependent become eligible for a subsidy (state premium assistance).

You or your dependents must request Special Enrollment within 60 days of loss of Medicaid/CHIP or of the eligibility determination.

- Sponsored dependents are only eligible for Medical/Drug coverage. Sponsored Dependents include blood relatives who depend on you for more than half of their financial support. They must qualify as your dependents or have been reported as dependents on your federal income tax return. Sponsored dependents can be other individuals who reside in your household and depend on you for more than half their financial support. They must qualify as your dependents or have been reported as dependents on your federal income tax return. You will be required to initially and periodically provide proof of dependent status.

Sponsored Dependents must be enrolled for coverage within 90 days of first being eligible. If you do not, they must be enrolled for January 1. You must submit enrollment information one month prior to January 1 by contacting the HR Service Center at 1-800-344-8339. **The Company will make available group medical and prescription drug coverage to sponsored dependents at the group rate cost.** Required contributions for a sponsored dependent are **made** on an after-tax basis

Coverage for a dependent will continue through the last day of the month in which dependent is no longer an "eligible dependent" as defined above.

ARTICLE III

LIFE INSURANCE, ACCIDENTAL DEATH AND DISMEMBERMENT INSURANCE, ACCIDENT AND SICKNESS INSURANCE, AND LONG-TERM DISABILITY INSURANCE

SECTION 1 Group Life Insurance

(a) The amount of group life insurance payable for death is as follows:

One and one-half (1.5) times base pay wage rate rounded to the next even dollar.

**Base pay wage rate is your contractual hourly rate of pay times 2,080 hours.*

(b) Acceleration for Terminal Illness

A disabled employee who has a terminal illness may receive on and after the effective date of his/her coverage, 50% or 100% of the employee's Group Life Insurance in 12 monthly installments (hereafter such installments are referred to as the "monthly installments") subject to the following:

1. Monthly installments shall begin on the later of:

- the first of the month following Prudential's receipt of proof of terminal illness, or
- six months from commencement of disability, or
- the month in which weekly Accident and Sickness Benefits or Long-Term Disability Benefits cease, or
- the date of signed application for such monthly installments.

No monthly installments shall be made to any person after the month in which age 65 is attained.

Terminal illness means an injury or sickness expected to result in death within one year without any reasonable prospect of recovery as determined by the insurer, its medical staff or a qualified party selected by the insurer.

2. Upon the death of a disabled employee while such employee is receiving monthly installments, Group Life Insurance equal to the remaining monthly

installments, if any or \$500, whichever is greater, shall be paid to his beneficiary in a lump sum. If at the time of death a disabled employee has received 100% of the Group Life Insurance in monthly installments, \$500 of Group Life Insurance shall be paid to such employee's beneficiary.

3. If a disabled employee returns to work, the full amount of such employee's Group Life Insurance in accordance with Section 1 (a) of this Article III will again be reinstated until such employee terminates employment. If a disabled employee has returned to work and again becomes disabled, such employee may not receive additional installments.
4. If a disabled employee recovers from total and permanent disability, but does not return to work or is not eligible for insurance under any provisions of this Program, all of such employee's insurance terminates.

(c) Beneficiary

When you enroll for coverage (Group Life and Group AD&D), you must name a Beneficiary(ies) on the form furnished by the Company. You may change your Beneficiary at any time by completing another form. If there is more than one Beneficiary but the Beneficiary form does not specify their shares, the proceeds will be split evenly. If you do not have a named Beneficiary at the time of your death or your Beneficiaries have predeceased you, your life insurance amount will be paid to the first of the following: Your (a) surviving spouse; (b) surviving child(ren) in equal shares; (c) surviving parents in equal shares; (d) surviving siblings in equal shares; (e) estate.

(d) Filing a claim

The amount of your coverage will be payable when the carrier receives written proof of death. Written proof of loss must be submitted within 90 days of the date of death. Your Beneficiary should contact the Volvo HR Service Center in Greensboro, NC at 1-800-344-8339, or by email at hrsc@volvo.com to file a claim.

(e) When your coverage ends

Your coverage will end when your employment ends, your membership in the covered class ends, or the group contract ends.

(f) Conversion Privilege

If you cease to be covered for life insurance because your employment ends or your coverage ends, you may be eligible to convert part or your entire insurance amount

to an individual life insurance contract. Evidence of insurability is not required but you must convert your coverage and pay your first premium by the later of:

1. the thirty-first day after you cease to be insured; and
2. the fifteenth day after you have been given notice of conversion, but in no event later than the 92nd day after you cease to be insured under your group coverage.

Premiums under conversion are based on the carrier's rate as it applies to type and amount of coverage based on age and risk at the time of conversion.

(g) Recovery of overpayment

If payment is been paid in error, the insurance company reserves the right to recover the benefits paid.

(h) Cost of coverage

Mack pays the entire cost for your Group Life coverage.

SECTION 2 Group Accidental Death and Dismemberment (AD&D) Insurance

The Company also provides AD&D Insurance benefits. To receive these benefits, your injury or death must be accidental. There are two types of benefits payable under AD&D. Death benefits are payable to your Beneficiary (see Article III, Section 1(c)). Dismemberment benefits are payable to you for certain accidental injuries.

(a) The amount of benefits payable under the plan is as follows, provided the loss occurs within one year from date of the accident:

Death Benefits (no time limit)	Percentage of Life Insurance Amount
Not job related	50%
Job related	100%
Dismemberment Benefits	
Sight of both eyes	100%

Loss of both hands or both feet	100%
Loss of any two: one foot, one hand, sight of one eye	100%
Loss of one hand, or one foot, or sight on one eye, or loss of speech	50%

If you have more than one loss due to the same accident you will be paid no more than your total amount of Life Insurance.

(b) A loss is not covered if it results from any of the following:

1. Suicide, or attempted suicide or self-inflicted injury
2. Sickness, or medical treatment of sickness
3. Any bacterial or viral infection
4. War or act of war, whether declared or not and includes armed resistance
5. Accident that occurs while serving on full-time active duty for more than 30 days in any armed forces
6. Commission of or attempt to commit an assault or a felony
7. Being under the influence of any narcotic unless administered or consumed on the advice of a Doctor

(c) Filing a claim

The amount of your coverage will be payable when the carrier receives written proof of loss. Written proof of loss must be submitted within 90 days of the date of your death or accident. You or your Beneficiary should contact the Volvo HR Service Center in Greensboro, NC at 1-800-344-8339, or by email at hrsc@volvo.com as soon as possible for help in filing a claim.

(d) When coverage ends

Your coverage will end when your employment ends; your membership in the covered class ends, the group contract ends, or the program is terminated.

(e) Recovery of overpayment

If payment has been paid in error, the insurance company reserves the right to recover the benefits paid.

(f) Conversion

Coverage under this program cannot be converted to an individual policy when coverage ends.

(g) Cost of coverage

Mack pays the entire cost for your AD&D coverage.

SECTION 3 Group Accident and Sickness Benefits

The A&S program will pay you benefits if you become disabled while covered under the Plan. Effective for disabilities which commence on or after October 25, 2019, for employees hired or rehired prior to March 25, 2013, Group Accident and Sickness Benefits will be provided for eligible employees as follows:

(a) Benefit amount for employees with one or more year's seniority:

\$680.00 per week or 60% of base pay, whichever is greater.

The amount of benefit payment to eligible employees with less than one year of seniority who is not subject to the wage progression set forth below will be 75% of the scheduled amount set forth above.

The benefit amount for employees who are in wage progression pursuant to Article 16, Section 55 shall be equivalent to the wage progression level. For example, if an employee is at the 80% wage progression level, he shall receive 80% of the A&S benefit amount referenced above.

For Employees hired or rehired on or after March 25, 2013, any disabilities commencing after their effective date of coverage shall equal 60% of the weekly base wage rate, not subject to progression.

(b) Eligibility Requirements

To be eligible for benefits an employee must:

1. become wholly and continuously disabled while insured for Accident and Sickness Benefits, and
2. be unable to perform all duties of his occupation, and
3. be under the care of a physician licensed to practice medicine, and
4. furnish the Company with notice and satisfactory proof of disability.

(c) Commencement of Benefits

Benefits for an eligible employee shall begin with the first day of disability due to an accident and with the earlier of:

1. the eighth consecutive day of disability due to sickness, or
2. the first day of confinement in a legally constituted hospital, or
3. the first scheduled work day on or following the day surgery costing at least \$25 is performed.

For a salaried employee with six months or more seniority, benefits shall be payable the first day following the last day on which Company-paid sick leave pursuant to the applicable Local Supplemental Agreement is paid to such employee by the Company.

(d) Duration of Benefits

Weekly benefits will be payable up to a maximum of 52 weeks for any one continuous period of disability. The existence at the same time of two or more causes of disability shall not be considered as creating more than one period of disability. An otherwise eligible employee shall be eligible to receive Accident and Sickness Benefits for:

1. a period equal to such employee's length of service (from last date of hire) at commencement of disability, or
2. 52 weeks, whichever is less.

If at the date of expiration of such period you are confined in a hospital for the same disability or are receiving payments from the Company under any Worker's Compensation Law or any Occupational Disease Law or Act, benefits shall continue to be payable while you are so confined or continues to receive lost time benefits, but in no event not longer than 52 weeks.

(e) Fractional Part of a Week

Daily benefits shall be payable on the basis of a five-day workweek proration unless otherwise required by law.

(f) Successive Disabilities

Any two successive periods of disability separated by less than two consecutive weeks of active work on a full time basis will be considered one period of disability, except that any two disabilities due to different and unrelated causes separated by at least one day's return to work will be treated as separate disabilities. In the event of a pregnancy disability, such requirement of one day's return to work will not be required if another disability is due to a different and unrelated cause, but the total period for which benefits will be paid will not exceed 52 weeks.

(g) Occupational Disabilities

Benefits payable for any period of disability will be reduced by any payments for time lost from work in that period to which the employee is entitled under any Worker's Compensation or Occupational Disease Law, including lump sum payments. No reduction will be made for payments for hospitalization or medical expense, or for disfigurements, or specific allowance for loss, or 100 % loss of use of a member. No reduction will be made for permanent partial disability payments for an occupational illness or injury unrelated to the disability for which benefits under this Section 3 are payable.

In the event that Accident and Sickness Benefits are paid on the basis that an employee's period of disability is not compensable under any Worker's Compensation or Occupational Disease Law, and subsequently, such period of disability is found to be compensable under Worker's Compensation or Occupational Disease Law, the employee will repay, in full, the amount duplicated by Accident and Sickness Benefit payments made for the same period. Repayment by the employee will be in one lump sum; however, if repayment cannot be made in one lump sum, satisfactory arrangements to repay the overpayment will be made.

(h) Holiday Pay

Accident and Sickness Benefits will not be paid for any day for which the employee is entitled to holiday pay.

(i) Waiver

An employee may irrevocably waive any right to receive Accident and Sickness Benefits with respect to any period of disability by completing a waiver form furnished by the Company for that purpose. No Accident and

Sickness Benefits will be payable for any period of disability covered by such waiver.

(j) Unemployment Compensation

Benefits payable for any period of disability will be reduced by any Unemployment Compensation benefits paid for the same period. This reduction shall not apply to employees on a qualifying layoff.

(k) What is not covered

The A&S Program does not cover disabilities due to:

- War, or any act of war, whether declared or not,
- Taking part in commission of a felony, or
- Active military duty.

(l) How to file a Claim

If you have a claim for A&S benefits, please contact your local Human Resources Department or the HR Service Center in Greensboro (1-800-344-8339). They will help you file your claim.

(m) Verification of Disability

You will be required initially and periodically to furnish written proof of your disability satisfactory to the Company. Charges for the completion of any forms or statements by your Doctor will be your responsibility. You may also be required, as proof of your disability, to be examined by a Doctor designated by the Company at Company expense.

(n) When coverage ends

Your coverage will end when your employment ends; your membership in the covered class ends, the group contract ends, or the program is terminated.

(o) Recovery of overpayments

The Company reserves the right to recover benefits that were paid in error, duplicated in full or in part as the result of a compensable illness or injury under any Federal or state law, or determined not to be required.

(p) Conversion

A&S coverage cannot be converted to an individual policy when coverage ends.

SECTION 4 Reinstatement of Accident and Sickness Insurance During Layoff

(a) Eligibility Requirements

If you become disabled while on layoff, Accident and Sickness Insurance may be reinstated, subject to the following:

1. you become wholly and continuously disabled while on a qualifying layoff as defined in the MACK-UAW Supplemental Unemployment Benefit Plan (SUB Plan) and while insured for life insurance,
2. you are eligible for a Regular Benefit under the SUB Plan, and
3. you have applied for the benefit and have furnished the Company with satisfactory proof of disability.

Each week a benefit is claimed, you must:

1. be unable to perform all duties of your occupation,
2. be under a doctor's care, and
3. be eligible to receive a Regular Benefit under the SUB Plan.

(b) Payment of Benefits

Benefits start on the first day of a qualifying disability. No benefit shall be payable beyond the earlier of: (1) the time that the employee no longer satisfies the disability requirement; or (2) the employee is no longer eligible for regular SUB Benefits.

(c) Suspension or Reduction of Benefits

No benefit shall be payable for any week in which:

1. you receive an Accident and Sickness or Long-Term Disability Benefit under this program, or
2. you are not eligible for a Regular SUB benefit.

The benefit for any week (or day(s) in the event of a fractional part of a week) will be reduced by the amount of the Regular SUB Benefit you received for the same week (or day(s) in the event of a fractional part of a week) and any disability benefit you receive for the same week under a plan financed in whole or in part by another employer.

(d) Other

Except as specifically modified under Section 4, benefits will be governed by the applicable provisions of Section 3.

SECTION 5 Long-Term Disability Benefits

(a) Eligibility for Benefits

To be eligible for Long-Term Disability Benefits, you must:

1. be totally disabled and unable to engage in any regular employment or occupation by reason of any medically demonstrable physical or mental condition with the Company at the Plant or Plants where you work provided you are not engaged in regular employment for remuneration or profit (excluding employment or occupation which on the basis of medical evidence is determined to be for purposes of rehabilitation), and
2. have exhausted your Accident and Sickness Benefits as provided in Article III, Section 3, and
3. have not been continuously disabled for a period greater than the number of months of your seniority at commencement of your disability.

For an employee who waives receipt of Accident and Sickness Benefits, the time such employee would have otherwise exhausted such benefits shall be deemed the time such employee exhausts them for purposes of this Subsection.

(b) Amount of Benefit

1. If you were hired or rehired prior to March 25, 2013 and your disability commences:

On or after	But prior to	Monthly LTD Benefit
January 1, 1984	January 1, 1988	\$1,150
January 1, 1988	January 1, 1989	\$1,205
January 1, 1989	January 1, 1990	\$1,240
January 1, 1990	January 1, 1991	\$1,275
January 1, 1991	January 1, 1992	\$1,310
January 1, 1992	November 1, 1992	\$1,350
November 1, 1992	August 1, 1993	\$1,425
August 1, 1993	May 1, 1994	\$1,475
May 1, 1994	March 1, 1995	\$1,550
March 1, 1995	August 1, 1998	\$1,600
August 1, 1998	August 1, 1999	\$1,650
August 1, 1999	August 1, 2000	\$1,700
August 1, 2000	October 2, 2001	\$1,750
October 2, 2001	October 2, 2002	\$1,800
October 2, 2002	October 2, 2003	\$1,850
October 2, 2003	October 2, 2004	\$1,900

October 2, 2004	October 2, 2005	\$1,950
October 2, 2005	October 2, 2006	\$2,000
October 2, 2006	June 1, 2009	\$2,050
June 1, 2009	June 1, 2010	\$2,125
June 1, 2010	June 1, 2011	\$2,200
June 1, 2011	March 25, 2013	\$2,275
March 25, 2013	March 25, 2014	\$2,310
March 25, 2014	March 25, 2015	\$2,345
March 25, 2015	March 25, 2016	\$2,380
March 25, 2016	October 1, 2016	\$2,415

Benefit amount for employees who are at the following wage progression:

	Wage Progression	Amount of Long Term Disability Benefits
a)	70%	70% of the Amount listed in (b) 1 above
b)	80%	80% of the Amount listed in (b) 1 above
c)	90%	90% of the Amount listed in (b) 1 above

2. For all employees, any disabilities commencing on or after October 2, 2016 will equal 60% of monthly basic wage rate, not subject to wage progression.

In addition, the long term disability benefit amounts described above in (b) 1 and 2 are reduced by an amount equal to the monthly equivalent of the total of the following benefits for which you may be eligible:

- a) all benefits under any retirement plan sponsored for Mack employees,
- b) lost time benefits under Worker's Compensation laws or other laws providing benefits for occupational injury or disease, including lump-sum settlements, but excluding specific allowances for loss, or 100 percent loss of use, of a body member,
- c) disability or old age insurance benefits to which the person is entitled (primary insurance amount) under the Federal Social Security Act or any future legislation providing similar benefits, except old age benefits reduced because of the age at which received, and
- d) benefits under any state or federal law providing benefits for working time lost because of disability.

If you are awarded, including retroactively, any or all of the benefits identified above for any month or partial month for which long term disability benefits have been paid, you will repay, in full, the amount by which the sum of: (1) awards received above and (2) long term disability (LTD) benefits payments made to you, exceeds your LTD benefit payable

for the same period. Increases to the benefits identified above received after LTD benefits begin are not included in calculation unless it is an adjustment to the original payment. Your repayment will be in one lump sum; however, if repayment cannot be made in one lump sum, satisfactory arrangements to repay the overpayment will be made.

If your Social Security Disability Insurance Benefit Award results from a reconsideration or hearing before an administrative law judge, the amount of Long Term Disability Benefits to be repaid will be reduced by any attorney fees associated with the award provided you make such repayment within 30 days of the later of (i) the date you receive the award or (ii) the date you are notified of the amount to be repaid. This reduction applies only to attorney fees associated with a successful appeal of a denial of Social Security Disability Insurance Benefits and includes only that portion of the attorney's fee associated with the period of time the employee was entitled to receive LTD benefits. The reduction for attorney fees may not exceed 25 percent of the repayment due. Attorney fees for services prior to denial of the initial application for Social Security Disability Insurance Benefits will not reduce the amount of repayment due. In the event an employee is also a retiree who is also receiving or has received a Temporary Benefit under Article V, Section 2 or Section 3 of the Mack UAW Pension Plan, the amount of reduction outlined above will be in proportion to the total repayment due under both the Pension Plan and the LTD Plan. The combined reduction from both Plans may not exceed 25% of the repayment due or the actual attorney fees, if such fees are less than 25% of the repayment due.

3. In determining the amount by which Long-Term Disability Benefits are reduced:
 - a) the monthly equivalent of benefits paid on a weekly basis shall be computed by multiplying the weekly benefit rate by 4.33, and
 - b) lump-sum settlements under state Worker's Compensation laws shall result in reductions equal to the monthly equivalent of the amount of the Worker's Compensation benefit to which the employee would have been entitled under applicable law had there been no lump-sum payment, but not to exceed in total the amount of the settlement, and
 - c) increases to additional benefits outlined above, subsequent to the first day for which Long-Term Disability Benefits are payable, are disregarded except that the amount of such increase is not disregarded if it represents an adjustment in the original determination of the amount of such benefit, and all LTD benefit reductions will begin

with the later of the effective date of the award or the effective date of your LTD benefits.

4. The computation of your Long-Term Disability Benefit presumes your eligibility for Social Security Disability Insurance Benefits after you have been disabled for five months and Pension Plan disability retirement benefit (if you have 10 or more years of credited service). Amounts deducted from Long-Term Disability Benefits on this basis will be reinstated upon presentation of satisfactory evidence that these benefits were applied for and denied; provided, however, that a reduction in Long-Term Disability Benefits will be made in an amount equal to Social Security Disability Insurance Benefits that would have been payable except for your refusal to accept vocational rehabilitation services. You or a member of your family should contact the local Social Security Office to file a claim for Social Security benefits.
5. Benefits payable for less than a full calendar month shall be pro-rated on the basis of the ratio of calendar days of eligibility to total calendar days in the month.
6. The Company may require each applicant or recipient of Long-Term Disability Benefits to certify or furnish verification of the amounts of his income from sources listed in Subsection (b) 2 of this Section 5. The amount of any Long-Term Disability Benefit payments in excess of the amount that should have been paid, after reduction for such other benefits, may be deducted from future Long-Term Disability Benefits.

(c) Commencement and Duration of Benefits

1. Long-Term Disability Benefits are payable to you following your approval and will commence the day following your last day of weekly Accident and Sickness Benefits, including weeks in which such Accident and Sickness Benefits were partially or wholly offset because of receipt of a Worker's Compensation benefit. LTD benefits are paid monthly as long as you have not been continuously disabled for a period longer than the number of months of your seniority.
2. The maximum period for Long-Term Disability Benefits is the number of full months of seniority, at the commencement of your disability, which exceeds the maximum number of weeks for which you were eligible to receive Accident and Sickness Benefits. The maximum period for salaried employees is reduced by the number of months (or fractional

months) that you receive Company-paid sick pay pursuant to the provisions of the applicable Local Supplemental Agreement. No benefits are payable to you beyond your date of death, the end of the month in which you attain age 65, or if you no longer satisfy the disability requirement.

If you become disabled when you are age 60 or older you will be entitled to receive benefits for up to sixty (60) months (less the period of weekly Accident and Sickness benefits and salary continuation if any) but not after age 70. If you become disabled when you are age 70 or older, you will be entitled to benefits for up to three months.

If your return to work with the Company is not effective to qualify you for a new period of Accident and Sickness Benefits (ineffective return to work) or if you engage in some gainful occupation or employment other than one for which you are reasonably qualified by education, training or experience, your satisfaction of the disability requirement does not end, but your Long-Term Disability Benefit will be suspended for the period of the ineffective return to work or the period you engage in the occupation or employment.

3. When determining your maximum period for monthly Long-Term Disability Benefits, any month in which your benefit is partially or wholly off-set by benefit payments from sources listed in Subsection (b) 2 above, or suspended under Subsection (c) 2 above, is counted as a full month. Fractions of the first and last month are counted as fractions of a month.
4. The cumulative total number of months during any previous periods of Long-Term Disability Benefits, regardless of whether for the same or related disabling condition, will reduce the maximum number of monthly benefit payments for which you are otherwise eligible if you again become eligible for Long-Term Disability Benefits.

(d) Rehabilitation

If you work under a recognized vocational rehabilitation program, you will be considered disabled for LTD coverage. However, your benefits will be suspended for the period you work.

(e) Proof of Disability

You will be required, initially and periodically, to furnish written proof of your disability satisfactory to the Company. Charges for completion of any forms or statements by your Doctor will be your responsibility. The Company may require you, as a condition of eligibility, to submit to examination by a designated physician at Company expense for the purpose of determining your initial or continuing disability.

(f) Exclusions

No benefit shall be payable to an employee for any period of disability resulting from service in the armed forces of any country, unless such employee has been in employment with the Company at least 10 years after separation from such service. In addition, the LTD plan does not cover disabilities due to war, or any act of war, whether declared or not; taking part in the commission of a felony or active military service.

(g) Waiver

You may waive irrevocably any right to receive Long Term Disability Benefits with respect to any period of disability by completing a waiver form furnished by the Company for that purpose. No Long Term Disability Benefits will be paid for any period of disability covered by the waiver.

(h) Medicare Enrollees

Effective on and after January 1, 1985, an employee receiving Long-Term Disability Benefits, regardless of when the employee last ceased active work, who is enrolled in Medicare Part B coverage which is available under the Federal Social Security Act, will while so enrolled receive the actual Medicare Part B premium up to a maximum of \$115 per month; to be effective the first day of the month following the month in which the Company is notified that the employee has enrolled for such coverage, unless the employee is receiving under the Pension Plan the same amount for the same purpose. Payment of the applicable amount provided under this Subsection (h) will be made concurrent with a monthly Long Term Disability Benefit payment and for the same period of disability.

(i) Successive Disabilities

Any two successive periods of disability, due to the same or related cause or causes, separated by less than 30 consecutive calendar days of active full-

time work, will be considered a continuation of the previous period of disability.

(j) How to file a claim

Please contact your local Human Resources Department or the HR Service Center at 1-800-344-8339.

(k) When Coverage Ends

1. Your LTD coverage will end on the earliest of the following dates:

- The date the Plan or the LTD Insurance Program is terminated
- The date your employment terminates, you retire, or you are laid off
- The date you no longer belong to a class of employee who are eligible for this coverage, and
- The date which you cease to be eligible for coverage.

(l) Recovery of Overpayments

If payment has been made under the LTD Plan but is determined to have been paid in error, duplicated in total or in part as result of a compensable illness or injury under any of the sources described under the LTD benefit reduction section, or not to have been required, Mack or the Claims Administrator has the right to recover the benefit paid. Repayment must be in one lump sum; however, if repayment cannot be made in one lump sum, satisfactory arrangement to repay the overpayment will be made.

(m) Conversion

Coverage under the LTD program cannot be converted to an individual policy when coverage ends.

SECTION 6 Continuation of Coverages

(a) Sick Leave

During the period you are on sick leave and unable to work at your customary job or other available work, the Company will continue your Group Life, Accidental Death and Dismemberment, Accident and Sickness, Long-Term Disability and Survivor Income (as described in Appendix A) coverages, if in effect, without employee contribution for the period equal to your seniority as of the date sick leave commences.

(Accident and Sickness Insurance or Long Term Disability Insurance terminates when maximum duration of benefits is reached).

(b) Leave of Absence (Other Than Sick Leave)

During the period you are on an approved leave of absence, including vacations pursuant to the terms of the applicable collective bargaining agreement, other than leave with the International Union, leave because of election to federal, state, county or municipal office, or military leave, the Company will continue your insurance under the Program without contributions.

(c) Layoff

Subject to any applicable federal or state law, if you are laid off, the Group Life Insurance and Accidental Death and Dismemberment Insurance in force at the time of such layoff, will continue without cost to you through the last day of the calendar month following the month in which you are laid off. If a returning veteran, who would be entitled to reinstatement under the Master Bargaining Agreement if the employee had sufficient seniority, is not reinstated and is placed on layoff, such Employee's Group Life and Accidental Death and Dismemberment insurance coverages will be in effect at no expense to the returning veteran for the balance of the month in which the employee is placed on layoff. In addition, Group Life Insurance and Accidental Death and Dismemberment Insurance shall continue to be provided for laid off employees, without cost, during a layoff which meets the conditions of Article I, Section 3 of the SUB Plan, including those employees laid off under any predetermined bumping system which may limit job selection for bumping purposes and those employees taking a voluntary layoff under any local supplemental agreement, for each full calendar month of layoff, (for which the employee receives no pay from the Company) for a period determined in accordance with the Seniority table below. The day the employee reports for work will be deemed to be the employee's last day worked prior to layoff (as of the date placed on layoff in the case of a returning veteran), but only for purposes of determining the period of continuation and eligibility for Company contributions for such coverages.

Year(s) of Seniority on Last Day Worked Prior to Layoff	Maximum Number of Months for Which Coverage Will Be Provided Without Cost to Employees
Less than 1	0
1 but less than 4	6
4 but less than 5	8
5 but less than 6	10
6 and Over	12

If you remain on layoff beyond the period for which such insurances are continued at Company expense, you may continue the Group Life Insurance and Accidental Death and Dismemberment Insurance for up to an additional 12 consecutive months of layoff by paying in advance to the Company the monthly premiums of \$.50 per \$1,000 life insurance in force.

If you are laid off and have less than one year of Seniority, you may continue the Group Life Insurance and Accidental Death and Dismemberment Insurance in force for up to 12 months following the last full month the Company continues such insurances at no cost during your layoff (if there is no break in your Seniority) by paying to the Company in advance the monthly premium for such insurances and benefits of \$.50 per \$1,000 of life insurance in force.

The Company will furnish you with a written statement at the time of your lay-off that will include the following information:

1. number of months of continued insurances and benefits at no cost to you including one full calendar month following the month in which layoff occurred, and
2. month and year that premium payment must be made to continue insurance and benefits in effect.

(d) Termination After Age 60 (Excluding Retirement)

If you are terminated after attaining age 60 with at least five years of credited service under the Pension Plan, you may continue the full amount of your Group Life and Accidental Death and Dismemberment Insurance in force at termination (as provided in Section 1(a) and Section 2 of this Article III) until you attain age 65. To continue your coverage, you must pay in advance a monthly insurance contributions of \$.50 for each \$1,000 of life insurance in force

(e) While a Grievance is Pending

If you are terminated and have a grievance pending to protest loss of Seniority resulting from discharge, failure to report, over-staying leave or disciplinary layoff, you may continue the full amount of such Group Life and Accidental Death and Dismemberment Insurance as provided in Section 1(a) and Section 2 of this Article III until such grievance is resolved. To do so, you must pay in advance a monthly insurance contribution of \$.50 per \$1,000 of Group Life Insurance in force. If you are reinstated, or the disciplinary layoff is reduced, the Company will reimburse you for the insurance contributions which the Company otherwise would have paid.

(f) Return to Active Employment

If your active employment ceases for any reason, but there was no break in your Seniority, then upon your return to active employment all insurance coverage commences immediately.

(g) Recall While Disabled

If you are recalled from layoff and are physically unable to return to work because of a disabling illness or injury incurred during your period of layoff, you will be deemed eligible for benefits under the Insurance Program, provided that you furnish the Company with proof satisfactory to the Company's physician of your bona fide illness or injury. You will not be entitled to such benefits if you are eligible to receive comparable benefits under any insurance program provided by another employer.

(h) Termination of Insurance

Except as provided for in this Article III and subject to the conversion privileges under the Group Life Insurance policy, on the date you cease active work for the Company or cease being a member of a bargaining unit, all of your insurance under the program will be canceled.

SECTION 7 Company Obligation

The Company will pay the full cost of all insurance provided in this Article III, less the amounts of contributions required to be paid under Section 6 of this Article III.

SECTION 8 Definitions

"Accident" means an accidental bodily injury that results from sudden, unexpected, and wholly external means.

"Claims Administrator" means a third party which has entered into an agreement with the Company to provide services necessary to administer the benefits stipulated under the Plan.

"Company-Paid Sick Leave" means the continuation of pay for absence due to illness or injury subject to the limitations described in the respective labor agreements.

"Physician" means a doctor of medicine, a doctor of osteopathy, a doctor of dental surgery and a doctor of podiatry legally licensed to practice within the scope of that license.

ARTICLE IV

PPO – PPO Prescription Drug - Dental – Vision Plans - HMO

Article IV provides you with a description of your Medical PPO, PPO Prescription Drug, Dental, Vision and HMO (if applicable) benefits. You should familiarize yourself with the Plans' main provisions. A thorough understanding of your coverage will enable you to use your benefits wisely. If you have any questions, please contact the Claims Administrator's Customer Service Department for specific benefit plan information.

SECTION 1 Anthem PPO

Anthem Blue Cross and Blue Shield, or "Anthem" has been designated by Mack to provide administrative services for the Medical PPO, such as claims processing,

care management, and other services, and to arrange for a network of health care providers whose services are covered by the Plan.

Important: This is not an insured benefit Plan. The benefits described are funded by Mack who is responsible for their payment. Anthem provides administrative claims payment services only and does not assume any financial risk or obligation with respect to claims.

Verification of Benefits

You or your provider may call Customer Service with a benefits inquiry or verification of benefits during normal business hours (8:00 a.m. to 8:00 p.m. eastern time). Please remember that a benefits inquiry or verification of benefits is NOT a verification of coverage of a specific medical procedure. Verification of benefits is NOT a guarantee of payment. CALL THE CUSTOMER SERVICE NUMBER ON YOUR IDENTIFICATION CARD or see the section titled Health Care Management for Precertification rules.

(a) Table of Contents

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(b) Members Rights and Responsibilities

You have certain rights and responsibilities when receiving Your health care. You also have a responsibility to take an active role in Your care. As Your health care partner, the Claims Administrator is committed to making sure Your rights

are respected while providing Your health benefits. That also means giving You access to the Claims Administrator's Network Providers and the information You need to make the best decisions for Your health and welfare.

1. These are Your rights and responsibilities:

You have the right to:

- Speak freely and privately with Your doctors and other health providers about all health care options and treatment needed for Your condition
- Work with Your doctors in making choices about Your health care.
- Be treated with respect and dignity.
- Expect the Claims Administrator to keep Your personal health information private by following the Claims Administrator's privacy policies, and state and Federal laws.
- Get the information You need to help make sure You get the most from Your health plan, and share Your feedback. This includes information on:
 - The Claims Administrator's company and services
 - The Claims Administrator network of health care Providers
 - Your rights and responsibilities
 - The rules of Your health Plan
 - The way Your health Plan works
- Make a complaint or file an appeal about:
 - Your health Plan and any care You receive
 - Any Covered Service or benefit decision that Your health Plan makes.
- Say no to care, for any condition, sickness or disease, without having an effect on any care You may get in the future. This includes asking Your Doctor tell You how that may affect Your health now and in the future.
- Get the most up-to-date information from a health care Provider about the cause of Your illness, Your treatment and what may result from it. You can ask for help if You do not understand this information.

You have the responsibility to:

- Read all information about Your health benefits and ask for help if You have questions.
- Follow all health Plan rules and policies.
- Although it is not required, it is highly recommended that you choose a Network Primary Care Physician (doctor), also called a PCP, to coordinate your care.
- Treat all Doctors, health care Providers and staff with respect.
- Keep all scheduled appointments. Call Your health care Provider's office if You may be late or need to cancel.
- Understand Your health problems as well as You can and work with Your health care Providers to make a treatment plan that You all agree on.
- Inform Your health care Providers if You don't understand any type of care you're getting or what they want You to do as part of Your care plan.
- Follow the health care plan that You have agreed on with Your health care Providers.
- Give the Claims Administrator, Your Doctors and other health care Providers the information needed to help You get the best possible care and all the benefits You are eligible for under Your health Plan. This may include information about other health insurance benefits You have along with Your coverage with the Plan.
- Inform Member Services if You have any changes to Your name, address or family members covered under Your Plan.

If You would like more information, have comments, or would like to contact the Claims Administrator, please go to [anthem.com](https://www.anthem.com) and select Customer Support>Contact Us. Or call the Member Services number on Your Identification Card.

The Claims Administrator wants to provide high quality customer service to our Members. Benefits and coverage for services given under the Plan are governed by the Employer's Plan.

(c) Schedule of Benefits

The Maximum Allowed Amount is the amount the Claims Administrator will reimburse for services and supplies which meet its definition of Covered Services, as long as such services and supplies are not excluded under the Member's Plan; are Medically Necessary; and are provided in accordance with the Member's Plan. See the Definitions and Claims Payment sections for more information. Maximum Allowed Amount is generally the contracted amount of reimbursement the Claims Administrator agrees to pay network providers. When you receive services by a Network Provider, you are not responsible for any amounts above the Maximum Allowed Amount. Out of Network Providers can bill you for amounts above the Maximum Allowed Amount. Under certain circumstances, if the Claims Administrator pays the healthcare Provider amounts that are Your responsibility, such as Deductibles, Copayments or Coinsurance, the Claims Administrator may collect such amounts directly from You. You agree that the Claims Administrator has the right to collect such amounts from You.

Schedule of Benefits	Network	Out-of-Network
<i>Calendar Year Deductible</i>		
Individual	\$350	\$400
Family – All eligible Members combined	\$700	\$800
Copayments and charges in excess of the Maximum Allowed Amount do not contribute to the Deductible.		
All Covered Services are subject to the Deductible unless otherwise specified in this booklet.		
<p>Your Plan has an embedded Deductible which means:</p> <ul style="list-style-type: none"> • If You, the Subscriber, are the only person covered by this Plan, only the "Individual" amounts apply to You. • If You also cover Dependents (other family members) under this Plan, both the "Individual" and the "Family" amounts apply. The "Family" Deductible amounts can be satisfied by any combination of family members but You could satisfy Your own "Individual" Deductible amount before the "Family" amount is met. You will never have to satisfy more than Your own "Individual" Deductible amount. If You meet Your "Individual" Deductible amount, Your other family member's claims will still accumulate towards their own "Individual" Deductible and the overall "Family" amounts. This continues until Your other family members meet their own "Individual" Deductible or the entire "Family" Deductible is met. 		
Amounts satisfied toward the Network calendar year Deductible will be applied toward the Out-of-Network calendar year Deductible and amounts satisfied toward the Out-of-Network calendar year Deductible will be		

Schedule of Benefits	Network	Out-of-Network
applied toward the Network calendar year Deductible.		
Coinsurance After the Calendar Year Deductible is Met (Unless Otherwise Specified)		
Plan Pays	80%	70%
Member Pays	20%	30%
<p>All payments are based on the Maximum Allowed Amount and any negotiated arrangements. For Out of Network Providers, You are responsible to pay the difference between the Maximum Allowed Amount and the amount the Provider charges. Depending on the service, this difference can be substantial.</p>		
Out-of-Pocket Maximum Per Calendar Year		
Includes Coinsurance, Copayments and the calendar year Deductible.		
Does <u>NOT</u> include Prescription Drug benefits, precertification penalties, services deemed not Medically Necessary by medical management and/or Anthem, charges in excess of the Maximum Allowed Amount and Non-Covered Services.		
Individual	\$750	\$2,400
Family – All other eligible Members combined	\$1,500	\$4,800
<p>Amounts satisfied toward the Network Out-of-Pocket Maximum will be applied toward the Out-of-Network Out-of-Pocket Maximum and Out-of-Pocket amounts will be applied to Network Out-of-Pocket Maximums.</p>		

Note: Copayments only apply to certain Network services and are not applicable to Out-of-Network services. When a Copayment applies, the Deductible is waived. Unless otherwise noted, services are subject to the applicable Deductible and Coinsurance.

Allergy Care

- | | | |
|---|------------|------------|
| <ul style="list-style-type: none"> • Testing and treatment | 20% | 30% |
|---|------------|------------|

Behavioral Health / Substance Abuse Care – Covered by Integrated Behavioral Health (See Section 3)

Clinical Trials

Please see Clinical Trials under Benefits section for further information.

Benefits are paid based on the setting in which Covered Services are received

Benefits are paid based on the setting in which Covered Services are received

Dental, Oral Surgery and TMJ Services

- Accidental Injury to natural teeth (treatment must be completed within **12** months of the Injury)
- Oral Surgery and TMJ – Subject to Medical Necessity - excludes appliances and orthodontic treatment

Benefits are paid based on the setting in which Covered Services are received

Benefits are paid based on the setting in which Covered Services are received

Diagnostic Physician's Services

Diagnostic services (including second opinion) by a Physician or Specialist Physician – office visit or home visit:

Schedule of Benefits	Network	Out-of-Network
Primary Care Physician Copayment	\$20	30%
Specialist Physician Copayment	\$40	30%
Diagnostic X-ray and Lab – office or independent lab	20%	30%
Any service billed with a diagnosis of rabies is covered at 100%,not subject to Deductible, Network or Out-of-Network		
Note: Diagnostic services are defined as any claim for services performed to diagnose an illness or Injury.		
Diabetic Supply	20%	20%
Diabetic supplies covered by the prescription drug plan are not covered under the PPO (lancets, syringes, insulin).		
Diabetic supplies not covered by Rx plan are covered under PPO.		
Emergency Room, Urgent Care, and Ambulance Services		
<i>Emergency room for an Emergency Medical Condition</i> (Copayment waived if admitted or if referred by your doctor)	\$125	\$125 (See note below)
<i>Use of the emergency room for non-Emergency Medical Conditions</i>	20%	30%
Urgent Care clinic visit for an Emergency Medical Condition	\$40	30%
Ambulance Services (when Medically Necessary) Land / Air	Covered in full	Covered in full
Note: Care received Out-of-Network for an Emergency Medical Condition will be provided at		

Schedule of Benefits	Network	Out-of-Network
the Network level of benefits if the following conditions apply: A medical condition manifesting itself by acute symptoms of sufficient severity (including severe pain) such that a prudent layperson, who possesses an average knowledge of health and medicine, could reasonably expect the absence of immediate medical attention to result in one of the following conditions: (1) Placing the health of the individual (or, with respect to a pregnant woman, the health of the woman or her unborn child) in serious jeopardy; (2) Serious impairment to bodily functions; or (3) Serious dysfunction of any bodily organ or part.		
Eye Care (non-routine)		
<ul style="list-style-type: none"> Office visit – medical eye care exams (treatment of disease or Injury to the eye) <ul style="list-style-type: none"> ➤ Primary Care Physician ➤ Specialist Physician 	<p>\$20</p> <p>\$40</p>	<p>30%</p> <p>30%</p>
Hearing Care (routine)		
Hearing Exam (once every 36 months)	\$60	\$60
	Maximum	Maximum
Hearing Aid (repair or purchase)	100% up to \$1,600/yr.	100% up to \$1,600/yr.
Hearing Care (non-routine)		
<ul style="list-style-type: none"> Office visit – Audiometric exam / hearing evaluation test <ul style="list-style-type: none"> ➤ Primary Care Physician ➤ Specialist Physician 	<p>\$20</p> <p>\$40</p>	<p>30%</p> <p>30%</p>
Home Health Care		
<ul style="list-style-type: none"> Including Private Duty Nursing benefit 	20%	30%

Schedule of Benefits	Network	Out-of-Network
Hospice Care Services	Covered in Full	30%
Hospital Inpatient Services – Precertification Required	20%	30%
Room and board (Semiprivate or ICU/CCU)	20%	30%
Hospital services and supplies (x-ray, lab, anesthesia, surgery (Precertification required), etc.)	20%	30%
Inpatient Physical Medical Rehab – limited to 30 days per calendar year, combined Network and Out-of-Network		
Pre-Admission testing	20%	30%
Physician Services:		
▶ Surgeon	20%	30%
▶ Anesthesiologist	20%	30%
▶ Radiologist	20%	30%
▶ Pathologist	20%	30%
Inpatient Care	20%	30%
Inpatient Therapies (e.g., chemo, radiation, dialysis, infusion, physical, occupational, respiratory, speech and vision)	20%	30%

Schedule of Benefits	Network	Out-of-Network
Maternity Care & Other Reproductive Services		
Physician's office:		
Global care (includes pre-and post-natal, delivery) – Copayment (first visit):		
Primary Care Physician (includes obstetrician and gynecologist) Copayment/Coinsurance	\$20	30%
Specialist Physician Copayment/Coinsurance	\$40	30%
Midwife (Precertification required)	\$20	30%
Physician Hospital/Birthing Center Services (Precertification required)		
Physician's services	20%	30%
Newborn nursery services (well baby care)	20%	30%
Circumcision	20%	30%
Note: Newborn stays in the Hospital after the mother is discharged, as well as any stays exceeding 48 hours for a vaginal delivery or 96 hours for a cesarean section, must be pre-certified		
Infertility Services		
Limited Coverage Diagnostic Services and Limited Treatment	Covered at the benefit level of the services billed	Covered at the benefit level of the services billed
(Non-Covered Services include but are not limited to: in-vitro fertilization, gamete intrafallopian transfer (GIFT), zygote intrafallopian transfer (ZIFT), artificial insemination, reversal of voluntary sterilization.)		

Schedule of Benefits	Network	Out-of-Network
Sterilization Services (Precertification required for Inpatient procedures)		
Sterilizations for women will be covered under the “Preventive Care” benefit. Please see that section in Benefits for further details.		
Vasectomy	Covered at the benefit level of the services billed	Covered at the benefit level of the services billed
Medical Supplies and Equipment		
• Medical Supplies	20%	20%
• Durable Medical Equipment	20%	20%
• Orthotics Foot and Shoe	20%	30%
• Prosthetic Appliances (external) Wigs/Toupees limited to 1 per benefit period, subject to Medical Necessity	20%	30%
Nutritional Counseling for Diabetes	20%	30%
Outpatient Hospital/Facility Services		
Outpatient facility	20%	30%
Lab and x-ray services	20%	30%
Outpatient Physician services (surgeon, anesthesiologist, radiologist, pathologist, etc.)	20%	30%

Schedule of Benefits	Network	Out-of-Network
Physician Services (Home and Office Visits)		
➤ Primary Care Physician	\$20	30%
➤ Specialist Physician	\$40	30%
➤ Office Surgery	20%	30%
➤ Prescription Injectables/Prescription Drugs Dispensed in the Physician's Office	20%	30%
Preventive Services (regardless of Provider or setting where Preventive care is provided)	Covered in Full	30%
Note: Preventive Services are defined as any claim submitted with a "well" diagnosis. They include the following routine services: adult physical exams, gynecological exams, PAP tests, mammograms, pediatric physicals, and pediatric immunizations.		
Private Duty Nursing	20%	30%
Skilled Nursing Facility	20%	30%
Surgical Services	20%	30%
Gastric Bypass/Obesity Surgery When Medically Necessary. Precertification Required	20%	30%

Schedule of Benefits	Network	Out-of-Network
Therapy Services (Outpatient)		
Physical Therapy	20%	30%
Occupational Therapy	20%	30%
Speech Therapy	20%	30%
Cardiac Rehabilitation	20%	30%
Chiropractic Care	20%	30%
Radiation Therapy	20%	30%
Chemotherapy	20%	30%
Respiratory Therapy	20%	30%
Vision Therapy	Not Covered	Not Covered
<p>Note: Inpatient therapy services will be paid under the Inpatient Hospital benefit.</p> <p>Benefits for Physical Therapy are limited to 90 visits per calendar year, combined Network and Out-of-Network.</p> <p>Benefits for occupational therapy are limited to 30 visits per calendar year, combined Network and Out-of-Network.</p> <p>Benefits for speech therapy are limited to 30 visits per calendar year, combined Network and Out-of-Network.</p> <p>Benefits for chiropractic care are limited to 20 visits per calendar year, combined Network and Out-of-Network.</p>		
Transplants		
Any Medically Necessary human organ and stem cell/bone marrow transplant and transfusion as determined by the Claims Administrator including necessary acquisition procedures, harvest and storage, including Medically	Center of Excellence/Network Transplant Provider	Out-of-Network Transplant Provider

Schedule of Benefits	Network	Out-of-Network
<p>Necessary preparatory myeloablative therapy.</p> <p>The Center of Excellence requirements do not apply to Cornea and kidney transplants; and any Covered Services, related to a Covered Transplant Procedure, received prior to or after the Transplant Benefit Period.</p> <p>Note: Even if a Hospital is a Network Provider for other services, it may not be a Network Transplant Provider for these services. Please be sure to contact the Claims Administrator to determine which Hospitals are Network Transplant Providers. (When calling Customer Service, ask to be connected with the Transplant Case Manager for further information.)</p> <p>Transplant Benefit Period</p>		
	<p>Starts one day prior to a Covered Transplant Procedure and continues for the applicable case rate/global time period (The number of days will vary depending on the type of transplant received and the Center of Excellence Network Transplant Provider agreement. Contact the Customer Service number on Your Identification Card and ask for the Transplant Case Manager for specific</p>	<p>Starts one day prior to a Covered Transplant Procedure and continues to the date of discharge.</p>

Schedule of Benefits	Network	Out-of-Network
	Network Transplant Provider information.)	
<ul style="list-style-type: none"> • Covered Transplant Procedure during the Transplant Benefit Period 	<p>Covered at 100% when using a BDCT facility</p> <p>Network – 20%</p>	<p>Not Covered</p>
<ul style="list-style-type: none"> • Bone Marrow & Stem Cell Transplant (Inpatient & Outpatient) • Includes unrelated donor search up to \$30,000 per transplant. 	<p>Covered at 100% when using a BDCT facility</p> <p>Network – 20%</p>	<p>Not Covered</p>
Care coordinated through a Network Transplant Provider/ Center of Excellence – not subject to Deductible		
When performed by Out-of-Network Transplant Provider (subject to Deductible, does not apply to the Out of Pocket Maximum). You are responsible for any charges from the Out-of-Network Transplant Provider which exceeds the Maximum Allowed Amount.		
<ul style="list-style-type: none"> • Live Donor Health Services (including complications from the donor procedure for up to six weeks from the date of procurement) • Eligible Travel and Lodging – 	<p>Covered at 100% when using a BDCT facility</p> <p>Network – 20%</p> <p>Covered at 100% when using a BDCT facility</p> <p>Network – 20%</p>	<p>Not Covered</p> <p>Not Covered</p>
Limited to \$10,000 per transplant maximum combined Network and Out-of-Network subject to Claims Administrator's approval.		

Schedule of Benefits	Network	Out-of-Network
All Other Covered Transplant Services	20%	Not Covered
	Covered at 100% when using a BDCT facility	

(d) Total Health and Wellness Solutions

1. Quick Care Options

Quick Care Options helps to raise Your awareness about appropriate alternatives to hospital emergency rooms (ERs). When You need care right away, retail health clinics and urgent care centers can offer appropriate care for less cost—and leave the ER available for actual emergencies. Quick Care Options educates You on the availability of ER alternatives for non-urgent diagnoses and provides provider finder website to support searches for ER alternatives.

2. Complex Care

The Complex Care program reaches out to You if You are at risk for frequent and high levels of medical care in order to offer support and assistance in managing Your health care needs. Complex Care empowers You for self-care of Your condition(s), while encouraging positive health behavior changes through ongoing interventions. Complex Care nurses will work with You and Your physician to offer:

- Personalized attention, goal planning, health and lifestyle coaching.
- Strategies to promote self-management skills and medication adherence.
- Resources to answer health-related questions for specific treatments.
- Access to other essential health care management programs.
- Coordination of care between multiple providers and services.

The program helps You effectively manage Your health to achieve improved health status and quality of life, as well as decreased use of acute medical services.

3. Condition Care Programs

Condition Care programs help maximize Your health status, improve health outcomes and control health care expenses associated with the following prevalent conditions:

- Asthma (pediatric and adult).
- Diabetes (pediatric and adult).
- Heart failure (HF).
- Coronary artery disease (CAD).
- Chronic obstructive pulmonary disease (COPD).

You will receive:

- 24/7 phone access to a nurse coach who can answer your questions and give you up-to-date information about your condition.
- A health review and follow-up calls if you need them.
- Tips on prevention and lifestyle choices to help you improve your quality of life.

4. Condition Care Support Programs

Condition Care Support programs are designed to help You better manage the following conditions:

- Low Back Pain – focuses on disorders of the lumbar region.
- Musculoskeletal – addresses arthritis, osteoporosis and hip/knee replacements.
- Vascular At-Risk – targets hypertension, hyperlipidemia and metabolic syndrome as precursors of vascular diseases.

5. Future Moms

The Future Moms program offers a guided course of care and treatment, leading to overall healthier outcomes for mothers and their newborns. Future Moms helps routine to high-risk expectant mothers focus on early prenatal interventions, risk assessments and education. The program includes special

management emphasis for expectant mothers at highest risk for premature birth or other serious maternal issues. The program consists of nurse coaches, supported by pharmacists, registered dietitians, social workers and medical directors. You will receive:

- 24/7 phone access to a nurse coach who can talk with you about your pregnancy and answer your questions.
- *Your Pregnancy Week by Week*, a book to show you what changes you can expect for you and your baby over the next nine months.
- Useful tools to help you, your doctor and your Future Moms nurse coach track your pregnancy and spot possible risks.

6. 24/7 Nurse Line

You may have emergencies or questions for nurses around-the-clock. 24/7 Nurse Line provides You with accurate health information any time of the day or night. Through one-on-one counseling with experienced nurses available 24 hours a day via a convenient toll-free number, You can make more informed decisions about the most appropriate and cost-effective use of health care services. A staff of experienced nurses is trained to address common health care concerns such as medical triage, education, access to health care, diet, social/family dynamics and mental health issues. Specifically, the 24/7 Nurse Line features:

- A skilled clinical team – RN license (BSN preferred) that helps Members assess systems, understand medical conditions, ensure Members receive the right care in the right setting and refer You to programs and tools appropriate to Your condition.
- Bilingual RNs, language line and hearing impaired services.
- Access to the AudioHealth Library, containing hundreds of audiotapes on a wide variety of health topics.
- Proactive callbacks within 24 to 48 hours for Members referred to 911 emergency services, poison control and pediatric Members with needs identified as either emergent or urgent.
- Referrals to relevant community resources.

7. My Health Advantage

My Health Advantage is a free service that helps keep You and Your bank account healthier. Here's how it works: the Claims Administrator reviews Your incoming health claims to see if we can save You any money. The Claims Administrator can check to see what medications You're taking and alert Your doctor if we spot a potential drug interaction. The Claims Administrator also keeps track of Your routine tests and checkups, reminding You to make these appointments by mailing You My Health Notes. My Health Notes summarize Your recent claims. From time to time, The Claims Administrator offers tips to save You money on prescription drugs and other health care supplies.

8. AIM Imaging Cost & Quality Program

Volvo has selected this innovative Imaging Cost & Quality Program for Anthem Blue Cross Blue Shield members through AIM Specialty Health. This Program provides You with access to important information about imaging services You might need. The Program is not a benefit under your health benefit plan.

If You need an MRI or a CT scan, it's important to know that costs can vary quite a bit depending on where You go to receive the service. Sometimes the differences are significant – anywhere from \$300 to \$3000 – but a higher price doesn't guarantee higher quality. If your benefit plan requires You to pay a portion of this cost (like a deductible or coinsurance) where You go can make a very big difference to your wallet.

That's where the AIM Imaging Cost & Quality Program comes in – AIM does the research for You and makes it available to help You find the right location for your MRI or CT scan. Here's how the Program works:

- Your doctor refers You to a radiology provider for an MRI or CT scan
- AIM works with your doctor to help make sure that You are receiving the right test – using evidence-based guidelines
- AIM also reviews the referral to see if there are other providers in your area that are high quality but have a lower price than the one You were referred to
- If AIM finds another provider that meets the quality and price criteria,, AIM will give You a call to let You know
- You have the choice – You can see the radiology provider your doctor suggested OR You can choose to see a provider that AIM tells You

about. AIM will even help You schedule an appointment with the new provider

The AIM Imaging Cost & Quality Program gives You the opportunity to reduce your health care expenses (and those of your employer) by selecting high quality, lower cost providers or locations. No matter which provider You choose, there is no effect on your health care benefits. We are bringing this Program to You to give You information that helps You to make informed choices about where to go when You need care.

(e) Eligibility

1. Coverage for the Employee

This Benefit Booklet describes the benefits an Employee may receive under this health care Plan. The Employee is also called a Subscriber.

2. Coverage for the Employee's Dependents

If the Employee is covered by this Plan, the Employee may enroll his or her eligible Dependents. Covered Dependents are also called Members.

Please see ARTICLE II, Section 2, for detailed information regarding Eligibility for your benefits.

3. Special Enrollment Periods

If an Employee or Dependent does not apply for coverage when they were first eligible, they may be able to join the Plan prior to Open Enrollment if they qualify for Special Enrollment. Except as noted otherwise below, the Employee or Dependent must request Special Enrollment within 31 days of a qualifying event.

Special Enrollment is available for eligible individuals who:

- Lost eligibility under a prior health plan for reasons other than non-payment of premium or due to fraud or intentional misrepresentation of a material fact.
- Exhausted COBRA benefits or stopped receiving group contributions toward the cost of the prior health plan.
- Lost employer contributions towards the cost of the other coverage;
- Are now eligible for coverage due to marriage, birth, adoption, or placement for adoption.

Important Notes About Special Enrollment:

- Individuals enrolled during special enrollment periods are **not** Late Enrollees.
- Individuals or Dependents must request coverage within 31 days of a qualifying event (i.e., marriage, exhaustion of COBRA, etc.).

4. Medicaid and CHIP Special Enrollment/Special Enrollees

Eligible Employees and Dependents may also enroll under two additional circumstances:

- the Employee's or Dependent's Medicaid or Children's Health Insurance Program (CHIP) coverage is terminated as a result of loss of eligibility; or
- the Employee or Dependent becomes eligible for a subsidy (state premium assistance program)

The Employee or Dependent must request Special Enrollment within 60 days of the loss of Medicaid/CHIP or of the eligibility determination.

(f) How Your Plan Works

Note: Capitalized terms such as Covered Services, Medical Necessity, and Out-of-Pocket Maximum are defined in the "Definitions" Section.

1. Introduction

Your health Plan is a Preferred Provider Organization (PPO) which is a comprehensive Plan. The Plan is divided into two sets of benefits: Network and Out-of-Network. If You choose a Network Provider, You will receive Network benefits. Utilizing this method means You will not have to pay as much money; Your Out-of-Pocket expenses will be higher when You use Out-of-Network Providers.

Providers are compensated using a variety of payment arrangements, including fee for service, per diem, discounted fees, and global reimbursement.

All Covered Services must be Medically Necessary, and coverage or certification of services that are not Medically Necessary may be denied.

2. Network Services

When You use a Network Provider or get care as part of an Authorized Service, Covered Services will be covered at the Network level. Regardless of Medical

Necessity, benefits will be denied for care that is not a Covered Service. The Plan has the final authority to decide the Medical Necessity of the service.

Network Providers include Primary Care Physicians/Providers (PCPs), Specialists (Specialty Care Physicians/Providers - SCPs), other professional Providers, Hospitals, and other Facilities who contract with us to care for You. Referrals are never needed to visit a Network Specialist.

To see a Doctor, call their office:

- Tell them You are an Anthem Member,
- Have Your Member Identification Card handy. The Doctor's office may ask You for Your group or Member ID number.
- Tell them the reason for Your visit.

When You go to the office, be sure to bring Your Member Identification Card with You.

For services from Network Providers:

- A. You will not need to file claims. Network Providers will file claims for Covered Services for You. (You will still need to pay any Coinsurance, Copayments, and/or Deductibles that apply.) You may be billed by Your Network Provider(s) for any Non-Covered Services You get or when You have not followed the terms of this Benefit Booklet.
- B. Precertification will be done by the Network Provider. (See the **Health Care Management – Precertification** section for further details.)

Please read the **Claims Payment** section for additional information on Authorized Services.

3. After Hours Care

If You need care after normal business hours, Your doctor may have several options for You. You should call Your doctor's office for instructions if You need care in the evenings, on weekends, or during the holidays and cannot wait until the office reopens. If You have an Emergency, call 911 or go to the nearest Emergency Room.

4. Out-of-Network Services

When You do not use a Network Provider or get care as part of an Authorized Service, Covered Services are covered at the Out-of-Network level, unless otherwise indicated in this Benefit Booklet.

For services from an Out-of-Network Provider:

- the Out-of-Network Provider can charge You the difference between their bill and the Plan's Maximum Allowed Amount plus any Deductible and/or Coinsurance/Copayments;
- You may have higher cost sharing amounts (i.e., Deductibles, Coinsurance, and/or Copayments);
- You will have to pay for services that are not Medically Necessary;
- You will have to pay for Non-Covered Services;
- You may have to file claims; and
- You must make sure any necessary Precertification is done. (Please see **Health Care Management – Precertification** for more details.)

5. How to Find a Provider in the Network

There are three ways You can find out if a Provider or facility is in the Network for this Plan. You can also find out where they are located and details about their license or training.

- See Your Plan's directory of Network Providers at www.anthem.com, which lists the Doctors, Providers, and facilities that participate in this Plan's Network.
- Call Customer Service to ask for a list of doctors and Providers that participate in this Plan's Network, based on specialty and geographic area.
- Check with Your doctor or Provider.

If You need details about a Provider's license or training, or help choosing a doctor who is right for You, call the Customer Service number on the back of Your Member Identification Card. TTY/TDD services also are available by dialing 711. A special operator will get in touch with us to help with Your needs.

6. The BlueCard Program

Like all Blue Cross & Blue Shield plans throughout the country, Anthem participates in a program called "BlueCard." This program lets You get Covered Services at the Network cost-share when You are traveling out of state and need health care, as long as You use a BlueCard Provider. All You have to do is show your Identification Card to a participating Blue Cross & Blue Shield Provider, and they will send Your claims to the Claims Administrator.

If You are out of state and an Emergency or urgent situation arises, You should get care right away.

In a non-Emergency situation, You can find the nearest contracted Provider by visiting the BlueCard Doctor and Hospital Finder website (www.BCBS.com) or call the number on the back of your Identification Card.

You can also access Doctors and Hospitals outside of the U.S. The BlueCard program is recognized in more than 200 countries throughout the world.

Please refer to **Inter-Plan Programs** in the **Claims Payment** section for more information on BlueCard.

7. Care Outside the United States – BlueCard Worldwide

Prior to travel outside the United States, check with Your Group or call Customer Service at the number on your Identification Card to find out if Your Plan has BlueCard Worldwide benefits. Your coverage outside the United States may be different and we recommend:

- Before You leave home, call the Customer Service number on your Identification Card for coverage details.
- Always carry your current Identification Card.
- In an emergency, go directly to the nearest Hospital.

The BlueCard Worldwide Service Center is available 24 hours a day, seven days a week toll-free at (800) 810-BLUE (2583) or by calling collect at (804) 673-1177. An assistance coordinator, along with a medical professional, will arrange a Physician appointment or hospitalization, if needed.

Call the Service Center in these non-emergent situations:

- You need to find a Physician or Hospital or need medical assistance services. An assistance coordinator, along with a medical professional, will arrange a Physician appointment or hospitalization, if needed.
- You need to be hospitalized or need Inpatient care. After calling the Service Center, You must also call the Claims Administrator to obtain approval for benefits at the phone number on your Identification Card. Note: this number is different than the phone numbers listed above for BlueCard Worldwide.

Payment Information

- Participating BlueCard Worldwide Hospitals. In most cases, when You make arrangements for hospitalization through BlueCard Worldwide, You should not need to pay upfront for Inpatient care at participating BlueCard Worldwide hospitals except for the Out-of-Pocket costs (non-Covered Services, Deductible, Copayments and Coinsurance) You normally pay. The Hospital should submit Your claim on Your behalf.
- Doctors and/or non-participating Hospitals. You will need to pay upfront for outpatient services, care received from a Doctor, and Inpatient care not arranged through the BlueCard Worldwide Service Center. Then You can complete a BlueCard Worldwide claim form and send it with the original bill(s) to the BlueCard Worldwide Service Center (the address is on the form).

-Claim Filing

- The Hospital will file your claim if the BlueCard Worldwide Service Center arranged Your hospitalization. You will need to pay the Hospital for the Out-of-Pocket costs You normally pay.
- You must file the claim for outpatient and Physician care, or Inpatient care not arranged through the BlueCard Worldwide Service Center. You will need to pay the Provider and subsequently send an international claim form with the original bills to the Claims Administrator.

Claim Forms

International claim forms are available from the Claims Administrator, the BlueCard Worldwide Service Center, or online at www.bcbs.com/bluecardworldwide. The address for submitting claims is on the form.

8. Copayment

Certain Network services may be subject to a Copayment amount which is a flat-dollar amount You will be charged at the time services are rendered.

Copayments are the responsibility of the Member. Any Copayment amounts required are shown in the **Schedule of Benefits**. Unless otherwise indicated, services which are not specifically identified in this Benefit Booklet as being subject to a Copayment are subject to the **calendar year Deductible** and payable at the **percentage payable** in the **Schedule of Benefits**.

9. Calendar Year Deductible

Before the Plan begins to pay benefits (except certain benefits which are subject to Copayment instead of Deductible), You must meet any Deductible required. You must satisfy one Deductible for each type of coverage as explained in the **Schedule of Benefits**. Deductible requirements are stated in the **Schedule of Benefits**.

(g) Health Management - Precertification

Your Plan includes the processes of Precertification, Predetermination and Post Service Clinical Claims Review to determine when services should be covered by Your Plan. Their purpose is to promote the delivery of cost-effective medical care by reviewing the use of procedures and, where appropriate, the setting or place of service that they are performed. Your Plan requires that Covered Services be Medically Necessary for benefits to be provided. When setting or place of service is part of the review, services that can be safely provided to You in a lower cost setting will not be Medically Necessary if they are performed in a higher cost setting.

Prior Authorization: Network Providers are required to obtain Prior Authorization in order for You to receive benefits for certain services. Prior Authorization criteria will be based on multiple sources including medical policy, clinical guidelines, and pharmacy and therapeutics guidelines. The Claims Administrator may determine that a service that was initially prescribed or requested is not Medically Necessary if You have not previously tried alternative treatments which are more cost effective.

If You have any questions regarding the information contained in this section, You may call the Customer Service telephone number on Your Identification Card or visit www.anthem.com.

1. Types of Requests:

Precertification – A required review of a service, treatment or admission for a benefit coverage determination which must be obtained prior to the service,

treatment or admission start date. For emergency admissions, You, Your authorized representative or Physician must notify the Claims Administrator within 2 business days after the admission or as soon as possible within a reasonable period of time. For childbirth admissions, Precertification is not required unless there is a complication and/or the mother and baby are not discharged at the same time.

Predetermination – An optional, voluntary Prospective or Concurrent/Continued Stay Review request for a benefit coverage determination for a service or treatment. The Claims Administrator will review Your Plan to determine if there is an exclusion for the service or treatment. If there is a related clinical coverage guideline, the benefit coverage review will include a review to determine whether the service meets the definition of Medical Necessity under this Plan or is Experimental/Investigative as that term is defined in this Plan.

Post Service Clinical Claims Review– A Retrospective review for a benefit coverage determination to determine the Medical Necessity or Experimental/Investigative nature of a service, treatment or admission that did not require Precertification and did not have a Predetermination review performed. Medical Reviews occur for a service, treatment or admission in which the Claims Administrator has a related clinical coverage guideline and are typically initiated by the Claims Administrator.

Failure to Obtain Precertification Penalty:

IMPORTANT NOTE: IF YOU OR YOUR NON NETWORK PROVIDER DO NOT OBTAIN THE REQUIRED PRECERTIFICATION, YOUR CLAIM WILL BE DENIED. ONCE INFORMATION IS RECEIVED CLAIMS CAN BE RE-OPENED BASED ON MEDICAL INFORMATION PROVIDED. THIS DOES NOT APPLY TO MEDICALLY NECESSARY SERVICES FROM A NETWORK OR BLUECARD PROVIDER.

The following list is not all inclusive and is subject to change; please call the Customer Service telephone number on Your Identification Card to confirm the most current list and requirements for Your Plan.

- Inpatient Admission
- Maternity Admission precertification only needed if inpatient stay exceeds 48 hours for normal delivery and 96 hours after a cesarean delivery.

- Acute Inpatient Rehabilitation
- Home Health Care (includes Home Infusion billed by Home Health Care agency)
- Home Infusion Therapy (billed by home infusion specialist)
- Visiting Nurses, Private Duty Nursing (Home)
- Skilled Nursing Facility (SNF)
- Hospice (inpatient and outpatient)
- Organ and Tissue Transplant (inpatient and outpatient)
- Bone Marrow and Stem Cell Transplant (inpatient and outpatient)
- Air Ambulance
- Inpatient Mental Health/Substance Abuse (Network/Out-of-Network)
- Residential MH/SA (If covered, precertification required (Network/Out-of-Network)
- Partial Hospitalization MH/SA (Network/Out-of-Network)
- Intensive Outpatient MH/SA (Network/Out-of-Network)

Utilizing a Provider outside of the Network may result in significant additional financial responsibility for You, because Your health benefit plan cannot prohibit Out-of-Network Providers from billing You for the difference between the Provider's charge and the benefit the Plan provides.

The ordering Provider, facility or attending Physician should contact the Claims Administrator to request a Precertification or Predetermination review ("requesting Provider"). The Claims Administrator will work directly with the requesting Provider for the Precertification request. However, You may designate an authorized representative to act on Your behalf for a specific request. The authorized representative can be anyone who is 18 years of age or older.

The Claims Administrator will utilize its clinical coverage guidelines, such as medical policy and other internally developed clinical guidelines, and preventive care clinical coverage guidelines, to assist in making Medical Necessity decisions. The Claims Administrator reserves the right to review and update these clinical coverage guidelines periodically. Your Employer's Group Health Plan Document takes precedence over these guidelines.

You are entitled to receive, upon request and free of charge, reasonable access to any documents relevant to Your request. To request this information, contact the Customer Service telephone number on Your Identification Card.

The Claims Administrator may, from time to time, waive, enhance, modify or discontinue certain medical management processes (including utilization management, case management, and disease management) if at the Claims Administrator's discretion, such change is in furtherance of the provision of cost effective, value based and/or quality services.

In addition, the Claims Administrator may select certain qualifying Providers to participate in a program that exempts them from certain procedural or medical management processes that would otherwise apply. The Claims Administrator may also exempt Your claim from medical review if certain conditions apply.

Just because the Claims Administrator exempts a process, Provider or claim from the standards which otherwise would apply, it does not mean that the Claims Administrator will do so in the future, or will do so in the future for any other Provider, claim or Member. The Claims Administrator may stop or modify any such exemption with or without advance notice. You may determine whether a Provider is participating in certain programs by contacting the customer service number on the back of your ID card.

The Claims Administrator also may identify certain Providers to review for potential fraud, waste, abuse or other inappropriate activity if the claims data suggests there may be inappropriate billing practices. If a Provider is selected under this program, then the Claims Administrator may use one or more clinical utilization management guidelines in the review of claims submitted by this Provider, even if those guidelines are not used for all Providers delivering services to this Plan's Members.

2. Request Categories:

- **Urgent** – A request for Precertification or Predetermination that in the opinion of the treating Provider or any Physician with knowledge of the Member's medical condition, could in the absence of such care or treatment, seriously jeopardize the life or health of the Member or the ability of the Member to regain maximum function or subject the Member to severe pain that cannot be adequately managed without such care or treatment.
- **Prospective** – A request for Precertification or Predetermination that is conducted prior to the service, treatment or admission.
- **Concurrent/Continued Stay Review** - A request for Precertification or Predetermination that is conducted during the course of treatment or admission.

- **Retrospective** - A request for Precertification that is conducted after the service, treatment or admission has occurred. Post Service Clinical Claims Review is also retrospective. Retrospective review does not include a review that is limited to an evaluation of reimbursement levels, veracity of documentation, accuracy of coding or adjudication of payment.

3. Decision and Notification Requirements

Timeframes and requirements listed are based in general on federal regulations. You may call the telephone number on Your membership card for additional information.

Request Category	Timeframe Requirement for Decision and Notification
Prospective Urgent	72 hours from the receipt of request
Prospective Non-Urgent	15 calendar days from the receipt of the request
Concurrent/Continued Stay Review when hospitalized at time of request	72 hours from request and prior to expiration of current certification
Other Concurrent/Continued Stay Review Urgent when request is received more than 24 hours before the expiration of the previous authorization	24 hours from the receipt of the request
Concurrent/Continued Stay Review Urgent when request is received less than 24 hours before the expiration of the previous authorization or no previous authorization exists	72 hours from the receipt of the request
Concurrent/Continued Stay Review Non-Urgent	15 calendar days from the receipt of the request
Retrospective	30 calendar days from the receipt of the request

If additional information is needed to make a decision, the Claims Administrator will notify the requesting Provider and send written notification to You or Your authorized representative of the specific information necessary to complete the review. If the Claims Administrator does not receive the specific information requested or if the information is not complete by the timeframe identified in the written notification, a decision will be made based upon the information in the Claims Administrator's possession.

The Claims Administrator will provide notification of its decision in accordance with federal regulations.

Notification may be given by the following methods:

Verbal: oral notification given to the requesting provider via telephone or via electronic means if agreed to by the provider.

Written: mailed letter or electronic means including email and fax given to, at a minimum, the requesting provider and the Member or authorized Member representative.

Precertification does not guarantee coverage for or payment of the service or procedure reviewed. For benefits to be paid, on the date You receive service:

- a) You must be eligible for benefits;
- b) the service or surgery must be a Covered Service under Your Plan; and
- c) the service cannot be subject to an exclusion under Your Plan
- d) You must not have exceeded any applicable limits under Your Plan.

4. Health Plan Individual Case Management

The Claims Administrator's health plan case management programs (Case Management) helps coordinate services for Members with health care needs due to serious, complex, and/or chronic health conditions. The Claims Administrator's programs coordinate benefits and educate Members who agree to take part in the Case Management Program to help meet their health-related needs.

The Claims Administrator's Case Management programs are confidential and voluntary and are made available at no extra cost to you. These programs are provided by, or on behalf of and at the request of, your health plan case management staff. These Case Management programs are separate from any Covered Services you are receiving

If You meet program criteria and agree to take part, the Claims Administrator will help You meet your identified health care needs. This is reached through contact and team work with You and/or your authorized representative, treating Doctor(s), and other Providers.

In addition, the Claims Administrator may assist in coordinating care with existing community-based programs and services to meet your needs. This may include giving You information about external agencies and community-based programs and services.

In certain cases of severe or chronic illness or injury, the Plan may provide benefits for alternate care that is not listed as a Covered Service through the Claims Administrator's Case Management program. The Plan may also extend Covered Services beyond the Benefit Maximums of this Plan. The Claims Administrator's will make any recommendation of alternate or extended benefits to the Plan on a case-by-case basis, if in the Claims Administrator's discretion the alternate or extended benefit is in the best interest of the Member and the Plan. A decision to provide extended benefits or approve alternate care in one case does not obligate the Plan to provide the same benefits again to You or to any other Member. The Plan reserves the right, at any time, to alter or stop providing extended benefits or approving alternate care. In such case, the Claims Administrator will notify You or your representative in writing.

All admissions approved by the Health Care Management Pre-certification Program will be covered in accordance with Plan provisions. Admissions which are not approved by the pre-determination review process are subject to denial or reductions in payment for hospital and doctors charges. The member will not be responsible for hospital and doctor costs unless the member has been verifiably notified in writing that an admission request has been denied and the member enters the hospital against all medical advice, including the member's own doctors.

However if the member's Network doctor or hospital fails to request pre-determination approval for an inpatient hospital stay, the member will not be held responsible for any expenses resulting from denials or reductions in payments for covered services.

(h) Benefits

Payment terms apply to all Covered Services. Please refer to the Schedule of Benefits for details. All Covered Services must be Medically Necessary, whether provided through Network Providers or Out-of-Network Providers.

1. Ambulance Service

Medically Necessary ambulance services are a Covered Service when one or more of the following criteria are met:

- a) You are transported by a state licensed vehicle that is designed, equipped, and used only to transport the sick and injured and staffed by Emergency Medical Technicians (EMT), paramedics, or other certified medical professionals. This includes ground, water, fixed wing, and rotary wing air transportation.
- b) For ground ambulance, You are taken:
- From your home, the scene of an accident or medical Emergency to Hospital;
 - Between Hospitals, including when the Claims Administrator requires You to move from an Out-of-Network Hospital to a Network Hospital
 - Between a Hospital and a Skilled Nursing Facility or other approved Facility.
- c) For air or water ambulance, You are taken:
- From the scene of an accident or medical Emergency to a Hospital;
 - Between Hospitals, including when the Claims Administrator requires You to move from an Out-of-Network Hospital to a Network Hospital
 - Between a Hospital and an approved Facility.

Ambulance Services are subject to Medical Necessity reviews by the Claims Administrator. Emergency ambulance services do not require precertification and are allowed regardless of whether the Provider is a Network or Out-of-Network Provider.

Non-Emergency ambulance services are subject to Medical Necessity reviews by the Claims Administrator. When using an air ambulance, for non-Emergency transportation, the Claims Administrator reserves the right to select the air ambulance Provider. If you do not use the air ambulance Provider the Claims Administrator selects, the Out-of-Network Provider may bill you for any charges that exceed the Plan's Maximum Allowed Amount.

You must be taken to the nearest Facility that can give care for your condition. In certain cases the Claims Administrator may approve benefits for transportation to a Facility that is not the nearest Facility.

Benefits also include Medically Necessary treatment of a sickness or injury by medical professionals from an ambulance service, even if You are not taken to a Facility.

Ambulance services are not covered when another type of transportation can be used without endangering Your health. Ambulance services for your convenience or the convenience of Your family or Doctor are not a Covered Service.

Other non-covered ambulance services include, but are not limited to, trips to:

- A Doctor's office or clinic;
- A morgue or funeral home

Important Notes on Air Ambulance Benefits

Benefits are only available for air ambulance when it is not appropriate to use a ground or water ambulance. For example, if using a ground ambulance would endanger your health and your medical condition requires a more rapid transport to a Facility than the ground ambulance can provide, the Plan will cover the air ambulance. Air ambulance will also be covered if You are in an area that a ground or water ambulance cannot reach.

Air ambulance will not be covered if You are taken to a Hospital that is not an acute care Hospital (such as a Skilled Nursing Facility), or if You are taken to a Physician's office or your home.

Hospital to Hospital Transport

If You are moving from one Hospital to another, air ambulance will only be covered if using a ground ambulance would endanger your health and if the Hospital that first treats cannot give You the medical services You need. Certain specialized services are not available at all Hospitals. For example, burn care, cardiac care, trauma care, and critical care are only available at certain Hospitals. To be covered, You must be taken to the closest Hospital that can treat You. Coverage is not available for air ambulance transfers simply because You, your family, or your Provider prefers a specific Hospital or Physician.

2. Assistant Surgery

Services rendered by an assistant surgeon are covered based on Medical Necessity.

3. Behavioral Health Care and Substance Abuse Treatment

Covered by Integrated Behavioral Health (See Section 4).

4. Breast Cancer Care

Covered Services are provided for Inpatient care following a mastectomy or lymph node dissection until the completion of an appropriate period of stay as determined by the attending Physician in consultation with the Member. Follow-up visits are also included and may be conducted at home or at the Physician's office as determined by the attending Physician in consultation with the Member.

5. Breast Reconstructive Surgery

Covered Services are provided following a mastectomy for reconstruction of the breast on which the mastectomy was performed, surgery and reconstruction of the other breast to produce a symmetrical appearance, and prostheses and treatment of physical complications, including lymphedemas.

6. Cardiac Rehabilitation

Covered Services are provided as outlined in the **Schedule of Benefits**.

7. Clinical Trials

Benefits include coverage for services, such as routine patient care costs, given to You as a participant in an approved clinical trial if the services are Covered Services under this Plan. An "approved clinical trial" means a phase I, phase II, phase III, or phase IV clinical trial that studies the prevention, detection, or treatment of cancer or other life-threatening conditions. The term life-threatening condition means any disease or condition from which death is likely unless the disease or condition is treated.

Benefits are limited to the following trials:

a) Federally funded trials approved or funded by one of the following:

- i. The National Institutes of Health.
- ii. The Centers for Disease Control and Prevention.
- iii. The Agency for Health Care Research and Quality.
- iv. The Centers for Medicare & Medicaid Services.
- v. Cooperative group or center of any of the entities described in (i) through (iv) or the Department of Defense or the Department of Veterans Affairs.
- vi. A qualified non-governmental research entity identified in the guidelines issued by the National Institutes of Health for center support grants.

vii. Any of the following in i-iii below if the study or investigation has been reviewed and approved through a system of peer review that the Secretary determines 1) to be comparable to the system of peer review of studies and investigations used by the National Institutes of Health, and 2) assures unbiased review of the highest scientific standards by qualified individuals who have no interest in the outcome of the review.

(i) The Department of Veterans Affairs.

(ii) The Department of Defense.

(iii) The Department of Energy.

b) Studies or investigations done as part of an investigational new drug application reviewed by the Food and Drug Administration;

c) Studies or investigations done for drug trials which are exempt from the investigational new drug application.

Your Plan may require You to use a Network Provider to maximize your benefits.

Routine patient care costs include items, services, and Drugs provided to You in connection with an approved clinical trial that would otherwise be covered by this Plan.

All other requests for clinical trials services, including requests that are not part of approved clinical trials will be reviewed according to our Clinical Coverage Guidelines, related policies and procedures.

Your Plan is not required to provide benefits for the following services. The Plan reserves its right to exclude any of the following services:

- The Experimental/Investigative item, device, or service; or
- Items and services that are provided only to satisfy data collection and analysis needs and that are not used in the direct clinical management of the patient; or
- A service that is clearly inconsistent with widely accepted and established standards of care for a particular diagnosis;
- Any item or service that is paid for, or should have been paid for, by the sponsor of the trial.

8. Consultation Services

Covered when the special skill and knowledge of a consulting Physician is required for the diagnosis or treatment of an illness or Injury. Second surgical opinion consultations are covered.

Staff consultations required by Hospital rules are excluded. Referrals, the transfer of a patient from one Physician to another for treatment, are not consultations under this Plan.

9. Dental Services – Related to Accidental Injury

Your Plan includes benefits for dental work required for the initial repair of an Injury to the jaw, sound natural teeth, mouth or face which are required as a result of an accident and are not excessive in scope, duration, or intensity to provide safe, adequate, and appropriate treatment without adversely affecting the Member's condition. Injury as a result of chewing or biting is not considered an Accidental Injury, except where the chewing or biting results from an act of domestic violence or directly from a medical condition.

Treatment must be completed within the timeframe shown in the Schedule of Benefits.

Other Dental Services

Your Plan also includes benefits for Hospital charges and anesthetics provided for dental care if the Member meets any of the following conditions:

- The Member is under the age of five (5);
- The Member has a severe disability that requires hospitalization or general anesthesia for dental care; or
- The Member has a medical condition that requires hospitalization or general anesthesia for dental care.

10. Diabetes

Equipment and Outpatient self-management training and education, including nutritional therapy for individuals with insulin-dependent diabetes, insulin-using diabetes, gestational diabetes, and non-insulin using diabetes as prescribed by the Physician. Covered Services for Outpatient self-management training and education must be provided by a certified, registered or licensed health care professional with expertise in diabetes. Screenings for gestational diabetes are covered under "Preventive Care."

11. Dialysis Treatment

The Plan covers Covered Services for Dialysis treatment. After 30 months, the Plan will pay secondary to Medicare Part B, even if a Member has not applied for eligible coverage available through Medicare, per Medicare requirements.

12. Durable Medical Equipment

This Plan will pay the rental charge up to the purchase price of the equipment. In addition to meeting criteria for Medical Necessity, and applicable Precertification requirements, the equipment must also be used to improve the functions of a malformed part of the body or to prevent or slow further decline of the Member's medical condition. The equipment must be ordered and/or prescribed by a Physician and be appropriate for in-home use.

The equipment must meet the following criteria:

- It can stand repeated use;
- It is manufactured solely to serve a medical purpose;
- It is not merely for comfort or convenience;
- It is normally not useful to a person not ill or Injured;
- It is ordered by a Physician;
- The Physician certifies in writing the Medical Necessity for the equipment. The Physician also states the length of time the equipment will be required. The Plan may require proof at any time of the continuing Medical Necessity of any item;
- It is related to the Member's physical disorder

13. Emergency Services

Life-threatening Medical Emergency or serious Accidental Injury.

Coverage is provided for Hospital emergency room care including a medical screening examination that is within the capability of the emergency department of a Hospital, including ancillary services routinely available to the emergency department to evaluate an Emergency Medical Condition; and within the capabilities of the staff and facilities available at the Hospital, such further medical examination and treatment as are required to Stabilize the patient. Emergency Service care does not require any Prior Authorization from the Plan.

Stabilize means, with respect to an Emergency Medical Condition: to provide such medical treatment of the condition as may be necessary to assure, within reasonable medical probability that no material deterioration of the condition is likely to result from

or occur during the transfer of the individual from a facility. With respect to a pregnant woman who is having contractions, the term “stabilize” also means to deliver (including the placenta), if there is inadequate time to affect a safe transfer to another Hospital before delivery or transfer may pose a threat to the health or safety of the woman or the unborn child.

The Maximum Allowed Amount for emergency care from an Out-of-Network Provider will be the greatest of the following:

- The amount negotiated with Network Providers for the Emergency service furnished;
- The amount for the Emergency Service calculated using the same method the Claims Administrator generally uses to determine payments for Out-of-Network services but substituting the Network cost-sharing provisions for the Out-of-Network cost-sharing provisions; or
- The amount that would be paid under Medicare for the Emergency Service.

The Copayment and/or Coinsurance percentage payable for both Network and Out-of-Network are shown in the Schedule of Benefits.

14. General Anesthesia Services

Covered when ordered by the attending Physician and administered by another Physician who customarily bills for such services, in connection with a covered procedure.

Such anesthesia service includes the following procedures which are given to cause muscle relaxation, loss of feeling, or loss of consciousness:

- spinal or regional anesthesia;
- injection or inhalation of a drug or other agent (local infiltration is excluded).

Anesthesia services administered by a Certified Registered Nurse Anesthetist (CRNA) are only covered when billed by the supervising anesthesiologist.

15. Habilitative Services

Benefits also include habilitative health care services and devices that help You keep, learn or improve skills and functioning for daily living. Examples include therapy for a child who isn’t walking or talking at the expected age. These services may include physical and occupational therapy, speech-language pathology and other services for people with disabilities in a variety of Inpatient and/or outpatient settings.

16. Home Health Care Services

Home Health Care provides a program for the Member's care and treatment in the home. Your coverage is outlined in the **Schedule of Benefits**. The program consists of required intermittent skilled care, which may include observation, evaluation, teaching and nursing services consistent with the diagnosis, established and approved in writing by the Member's attending Physician. Services may be performed by either Network or Out-of-Network Providers.

Some special conditions apply:

- The Physician's statement and recommended program must be pre-certified.
- Claims will be reviewed to verify that services consist of skilled care that is medically consistent with the diagnosis. Note: Covered Services available under Home Health Care do NOT reduce Outpatient benefits available under the Physical Therapy section shown in this Plan.
- A Member must be essentially confined at home.

Covered Services:

- Visits by an RN or LPN. Benefits cannot be provided for services if the nurse is related to the Member.
- Visits by a qualified physiotherapist or speech therapist and by an inhalation therapist certified by the National Board of Respiratory Therapy.
- Visits to render services and/or supplies of a licensed Medical Social Services Worker when Medically Necessary to enable the Member to understand the emotional, social, and environmental factors resulting from or affecting the Member's illness.
- Visits by a Home Health Nursing Aide when rendered under the direct supervision of an RN.
- Nutritional guidance when Medically Necessary.
- Administration or infusion of prescribed drugs.
- Oxygen and its administration.

Covered Services for Home Health Care do not include:

- Food, housing, homemaker services, sitters, home-delivered meals.
- Home Health Care services which are not Medically Necessary or of a non-skilled level of care.

- Services and/or supplies which are not included in the Home Health Care plan as described.
- Services of a person who ordinarily resides in the Member's home or is a member of the family of either the Member or Member's Spouse.
- Any services for any period during which the Member is not under the continuing care of a Physician.
- Convalescent or Custodial Care where the Member has spent a period of time for recovery of an illness or surgery and where skilled care is not required or the services being rendered are only for aid in daily living, i.e., for the convenience of the Member.
- Any services or supplies not specifically listed as Covered Services.
- Routine care and/or examination of a newborn child.
- Dietician services.
- Maintenance therapy.
- Dialysis treatment.
- Purchase or rental of dialysis equipment.

17. Hospice Care Services

The services and supplies listed below are Covered Services when given by a Hospice for the palliative care of pain and other symptoms that are part of a terminal disease. Palliative care means care that controls pain and relieves symptoms, but is not meant to cure a terminal illness. Covered Services include:

- Care from an interdisciplinary team with the development and maintenance of an appropriate plan of care.
- Short-term Inpatient Hospital care when needed in periods of crisis or as respite care.
- Skilled nursing services, home health aide services, and homemaker services given by or under the supervision of a registered nurse.
- Social services and counseling services from a licensed social worker.
- Nutritional support such as intravenous feeding and feeding tubes.
- Physical therapy, occupational therapy, speech therapy, and respiratory therapy given by a licensed therapist.
- Pharmaceuticals, medical equipment, and supplies needed for the palliative care of your condition, including oxygen and related respiratory therapy supplies.
- Bereavement (grief) services, including a review of the needs of the bereaved family and the development of a care plan to meet those needs, both before and after the Member's death. Bereavement services are available to surviving Members of the immediate family for one year after the Member's death.

Immediate family means your spouse, children, stepchildren, parents, brothers and sisters.

Your Doctor and Hospice medical director must certify that You are terminally ill and likely have less than 12 months to live. Your Doctor must agree to care by the Hospice and must be consulted in the development of the care plan. The Hospice must keep a written care plan on file and give it to the Claims Administrator upon request.

Benefits for Covered Services beyond those listed above, such as chemotherapy and radiation therapy given as palliative care, are available to a Member in Hospice. These additional Covered Services will be covered under other parts of this Benefit Booklet.

18. Hospital Services

You may receive treatment at a Network or an Out-of-Network Hospital. However, payment is significantly reduced if services are received at an Out-of-Network Hospital. Your Plan provides Covered Services when the following services are Medically Necessary.

a) Network

Inpatient Services

- Inpatient room charges. Covered Services include Semiprivate Room and board, general nursing care and intensive or cardiac care. If You stay in a private room, the Maximum Allowed Amount is based on the Hospital's prevalent Semiprivate rate. If You are admitted to a Hospital that has only private rooms, the Maximum Allowed Amount is based on the Hospital's prevalent room rate.

Service and Supplies

- Services and supplies provided and billed by the Hospital while You're an Inpatient, including the use of operating, recovery and delivery rooms. Laboratory and diagnostic examinations, intravenous solutions, basal metabolism studies, electrocardiograms, electroencephalograms, x-ray examinations, and radiation and speech therapy are also covered.
- Convenience items (such as radios, TV's, record, tape or CD players, telephones, visitors' meals, etc.) will not be covered.

Length of Stay

Determined by Medical Necessity.

b) Out-of-Network

Hospital Benefits

- If You are confined in an Out-of-Network Hospital, Your benefits will be significantly reduced, as explained in the “**Schedule of Benefits**” section.

19. Hospital Visits

The Physician’s visits to his or her patient in the Hospital. Covered Services are limited to one daily visit for each attending Physician specialty during the covered period of confinement.

20. Human Organ and Tissue Transplant Services

Notification

To maximize your benefits, You need to call the Claims Administrator's transplant department to discuss benefit coverage when it is determined a transplant may be needed. You must do this before You have an evaluation and/or work-up for a transplant. Your evaluation and work-up services must be provided by a Network Transplant Provider to receive the maximum benefits.

Contact the customer service telephone number on Your Identification Card and ask for the transplant coordinator. The Claims Administrator will then assist the Member in maximizing their benefits by providing coverage information including details regarding what is covered and whether any medical policies, network requirements or benefit booklet exclusions are applicable. Failure to obtain this information prior to receiving services could result in increased financial responsibility for the Member.

Covered Transplant Benefit Period

Starts one day prior to a Covered Transplant Procedure and continues for the applicable case rate / global time period. The number of days will vary depending on the type of transplant received and the Network Transplant Provider agreement. Contact the Claims Administrator for specific Network Transplant Provider information for services received at or coordinated by a Network Transplant Provider Facility or starts one day prior to a Covered Transplant Procedure and continues to the date of discharge at an Out-of-Network Transplant Provider Facility.

Prior Approval and Precertification

In order to maximize Your benefits, the Claims Administrator strongly encourages You to call its’ transplant department to discuss benefit coverage when it is determined a transplant may be needed. You must do this before You have an evaluation and/or work-up for a transplant. The Claims Administrator will assist You in maximizing Your

benefits by providing coverage information, including details regarding what is covered and whether any clinical coverage guidelines, medical policies, Network Transplant Provider requirements, or exclusions are applicable. Contact the Customer Service telephone number on the back of Your Identification Card **and ask for the transplant coordinator**. Even if the Claims Administrator issues a prior approval for the Covered Transplant Procedure, You or Your Provider must call the Claims Administrator's Transplant Department for precertification prior to the transplant whether this is performed in an Inpatient or outpatient setting.

Please note that there are instances where Your Provider requests approval for Human Leukocyte Antigen (HLA) testing, donor searches and/or a collection and storage of stem cells prior to the final determination as to what transplant procedure will be requested. Under these circumstances, the HLA testing and donor search charges are covered as routine diagnostic testing. The collection and storage request will be reviewed for Medical Necessity and may be approved. However, such an approval for HLA testing, donor search and/or a collection and storage is NOT an approval for the subsequent requested transplant. A separate Medical Necessity determination will be made for the transplant procedure.

Transportation and Lodging

The Plan will provide *assistance with reasonable and necessary travel expenses* as determined by the Claims Administrator when You obtain prior approval and are required to travel more than 50 miles from Your residence to reach the facility where Your covered transplant procedure will be performed. The Plan's assistance with travel expenses includes transportation to and from the facility and lodging for the transplant recipient Member and one companion for an adult Member, or two companions for a child patient. The Member must submit itemized receipts for transportation and lodging expenses in a form satisfactory to the Claims Administrator when claims are filed. Contact the Claims Administrator for detailed information. The Claims Administrator will follow Internal Revenue Service (IRS) guidelines in determining what expenses can be paid.

21. Licensed Speech Therapist Services

Services must be ordered and supervised by a Physician as outlined in the **Schedule of Benefits**. Speech Therapy must be for the active treatment of disease, trauma or congenital anomalies. Speech Therapy is not covered when rendered for the treatment of Developmental Delay.

22. Maternity Care & Reproductive Health Services

Covered Services are provided for Network Maternity Care subject to the benefit stated in the **Schedule of Benefits**. If You choose an Out-of-Network Provider, benefits are subject to the Deductible and percentage payable provisions as stated in the **Schedule of Benefits**.

Routine newborn nursery care is part of the mother's maternity benefits. Benefits are provided for well-baby pediatrician visits performed in the Hospital.

Should the newborn require other than routine nursery care, the baby will be admitted to the Hospital in his or her own name. (See "Changing Coverage (Adding a Dependent)" to add a newborn to Your coverage.)

Under federal law, the Plan may not restrict the length of stay to less than the 48/96 hour periods or require Precertification for either length of stay. The length of hospitalization which is Medically Necessary will be determined by the Member's attending Physician in consultation with the mother. Should the mother or infant be discharged before 48 hours following a normal delivery or 96 hours following a cesarean section delivery, the Member will have access to two post-discharge follow-up visits within the 48 or 96 hour period. These visits may be provided either in the Physician's office or in the Member's home by a Home Health Care Agency. The determination of the medically appropriate place of service and the type of provider rendering the service will be made by the Member's attending Physician.

Contraceptive Benefits

Benefits include oral contraceptive Drugs, injectable contraceptive Drugs and patches. Benefits also include contraceptive devices such as diaphragms, intra uterine devices (IUDs), and implants. Certain contraceptives are covered under the "Preventive Care" benefit. Please see that section for further details.

Infertility Services

Your Plan only includes benefits for the diagnosis of Infertility.

Sterilization Services

Benefits include sterilization services and services to reverse a non-elective sterilization that resulted from an illness or Injury. Reversals of elective sterilizations are not covered. Sterilizations for women are covered under the "Preventive Care" benefit.

23. Medical Care

General diagnostic care and treatment of illness or Injury. Some procedures require Precertification.

24. Nutritional Counseling

Nutritional counseling related to the medical management of a disease state as stated in the Schedule of Benefits.

25. Out-of-Network Freestanding Ambulatory Facility

Any services rendered or supplies provided while You are a patient or receiving services at or from a Out-of-Network Freestanding Ambulatory Facility will be payable at the Maximum Allowed Amount.

26. Out-of-Network Hospital Benefits

If You are confined in an Out-of-Network Hospital, Your benefits will be significantly reduced, as explained in the “**Schedule of Benefits**” section.

27. Obesity

Prescription Drugs and any other services or supplies for the treatment of obesity are not covered. Surgical treatment of obesity is only covered for patients meeting Medical Necessity criteria, as defined by the Plan

28. Oral Surgery

Covered Services include only the following:

- Fracture of facial bones;
- Removal of impacted teeth;
- Lesions of the mouth, lip, or tongue which require a pathological exam;
- Incision of accessory sinuses, mouth salivary glands or ducts;
- Dislocations of the jaw;
- Treatment of temporomandibular joint syndrome (TMJ) or myofacial pain including only removable appliances for TMJ repositioning and related surgery and diagnostic services. Covered Services do not include fixed or removable appliances which involve movement or repositioning of the teeth, or operative restoration of teeth (fillings), or prosthetics (crowns, bridges, dentures);

- Plastic repair of the mouth or lip necessary to correct traumatic Injuries or congenital defects that will lead to functional impairments; and
- Initial services, supplies or appliances for dental care or treatment required as a result of, and directly related to, accidental bodily Injury to sound natural teeth or structure occurring while a Member is covered by this Plan and performed within the timeframes shown in the Schedule of Benefits after the accident.

Although this Plan covers certain oral surgeries as listed above, many oral surgeries are not covered. Covered Services also include the following:

- Orthognathic surgery for a physical abnormality that prevents normal function of the upper and/or lower jaw and is Medically Necessary to attain functional capacity of the affected part.
- Oral / surgical correction of accidental injuries as indicated in the “Dental Services” section.
- Treatment of non-dental lesions, such as removal of tumors and biopsies.
- Incision and drainage of infection of soft tissue not including odontogenic cysts or abscesses.

29. Other Covered Services

Your Plan provides Covered Services when the following services are Medically Necessary:

- Chemotherapy and radioisotope, radiation and nuclear medicine therapy
- Diagnostic x-ray and laboratory procedures
- Dressings, splints, casts when provided by a Physician
- Oxygen, blood and components, and administration
- Pacemakers and electrodes
- Use of operating and treatment rooms and equipment
- HIV Testing will be provided on the same basis as other covered diagnostic tests. Such tests must be appropriate and necessary for the symptoms, diagnosis or treatment of a medical condition.

- Treatments for Rabies-benefits are provided at 100% of the Allowable Charge.

30. Outpatient CT Scans and MRIs

These services are covered at regular Plan benefits.

31. Outpatient Hospital Services

The Plan provides Covered Services when the following outpatient services are Medically Necessary: pre-admission tests, surgery, diagnostic X-rays and laboratory services. Certain procedures require Precertification.

32. Outpatient Surgery

Network Hospital Outpatient department or Network Freestanding Ambulatory Facility charges are covered at regular Plan benefits. Benefits for treatment by an Out-of-Network Hospital are explained under "Hospital Services".

33. Physical Therapy, Occupational Therapy, Chiropractic Care

Services by a Physician, a registered physical therapist (R.P.T.), a licensed occupational therapist (O.T.), or a licensed chiropractor (D.C.) as outlined in the **Schedule of Benefits**. All services rendered must be within the lawful scope of practice of, and rendered personally by, the individual provider. No coverage is available when such services are necessitated by Developmental Delay.

34. Physician Services

You may receive treatment from a Network or Out-of-Network Physician. However, payment is significantly reduced if services are received from an Out-of-Network Physician. Such services are subject to Your Deductible and Out-of-Pocket requirements.

35. Preventive Care

Preventive Care services include screenings and other services for adults and children with no current symptoms or prior history of a medical condition associated with that screening or service.

Members who have current symptoms or have been diagnosed with a medical condition are not considered to require Preventive Care for that condition but instead benefits will be considered under the Diagnostic Services benefit.

Preventive Care Services in this section shall meet requirements as determined by Federal law. Many preventive care services are covered by this Plan with no Deductible, Copayments or Coinsurance from the Member when provided by a Network

Provider. That means the Plan pays 100% of the Maximum Allowed Amount. These services fall under the following broad categories as shown below:

- a) Services with an “A” or “B” rating from the United States Preventive Services Task Force as authorized under the Affordable Care Act (ACA).

Examples of these services are screenings for:

- Breast cancer (mammograms);
- Cervical cancer (Pap smears);
- Colorectal cancer (colonoscopies);
- High Blood Pressure;
- Type 2 Diabetes Mellitus;
- Cholesterol;
- Child and Adult Obesity
- Prostate cancer (PSA/digital rectal exams)

- b) Immunizations for children, adolescents, and adults recommended by the Advisory Committee on Immunization Practices of the Centers for Disease Control and Prevention,

- c) Preventive care and screenings for infants, children and adolescents as provided for in the comprehensive guidelines supported by the Health Resources and Services Administration; and

- d) Additional preventive care and screening for women provided for in the guidelines supported by the Health Resources and Services Administration, including the following:

- i. Women’s contraceptives, sterilization procedures, and counseling. Coverage includes contraceptive devices such as diaphragms, intra uterine devices (IUDs), and implants.
- ii. Breastfeeding support, supplies, and counseling. Benefits for breast pumps are limited to one pump per pregnancy.
- iii. Gestational diabetes screening.

- e) Preventive care services for tobacco cessation for Members age 18 and older as recommended by the United States Preventive Services Task Force including:

- i. counseling;
 - ii. Prescription Drugs; and
 - iii. Nicotine replacement therapy products when prescribed by a Provider, including over the counter (OTC) nicotine gum, lozenges and patches.
 - iv. Prescription drugs and OTC items are limited to a no more than 180 day supply per 365 days.
- f) Prescription Drugs and OTC items identified as an A or B recommendation by the United States Preventive Services Task Force when prescribed by a Provider including:
- i. aspirin;
 - ii. folic acid supplement;
 - iii. vitamin D supplement;
 - iv. iron supplement; and
 - v. bowel preparations.

Please note that certain age and gender and quantity limitations apply.

You may call Customer Service using the number on Your Identification Card for additional information about these services or view the Federal government's web sites,

<http://www.healthcare.gov/center/regulations/prevention.html>, or <http://www.ahrq.gov>, and <http://www.cdc.gov/vaccines/acip/index.html>.)

36. Prosthetic Appliances

Prosthetic devices to improve or correct conditions resulting from Accidental Injury or illness are covered if Medically Necessary and ordered by a Physician.

Prosthetic devices include: artificial limbs and accessories; artificial eyes, one pair of glasses or contact lenses for eyes used after surgical removal of the lens(es) of the eye(s); arm braces, leg braces (and attached shoes); and external breast prostheses used after breast removal.

The following items are excluded: corrective shoes; dentures; replacing teeth or structures directly supporting teeth, except to correct traumatic Injuries; electrical or

magnetic continence aids (either anal or urethral); and implants for cosmetic purposes except for reconstruction following a mastectomy.

37. Reconstructive Surgery

Benefits include reconstructive surgery to correct significant deformities caused by congenital or developmental abnormalities, illness, injury or an earlier treatment in order to create a more normal appearance . Benefits include surgery performed to restore symmetry after a mastectomy. Reconstructive services needed as a result of an earlier treatment are covered only if the first treatment would have been a Covered Service under this Plan

Note: Coverage for reconstructive services does not apply to orthognathic surgery. See the “Oral Surgery” section above for that benefit.

38. Retail Health Clinic

Benefits are provided for Covered Services received at a Retail Health Clinic (e.g., CVS Minute Clinics).

39. Skilled Nursing Facility Care

Benefits are provided as outlined in the **Schedule of Benefits**. This care must be ordered by the attending Physician. All Skilled Nursing Facility admissions must be pre-certified. Claims will be reviewed to verify that services consist of Skilled Convalescent Care that is medically consistent with the diagnosis.

Skilled Convalescent Care during a period of recovery is characterized by:

- a favorable prognosis;
- a reasonably predictable recovery time; and
- services and/or facilities less intense than those of the acute general Hospital, but greater than those normally available at the Member’s residence.

Covered Services include:

- semiprivate or ward room charges including general nursing service, meals, and special diets. If a Member stays in a private room, this Plan pays the Semiprivate Room rate toward the charge for the private room;
- use of special care rooms;
- pathology and radiology;

- physical or speech therapy;
- oxygen and other gas therapy;
- drugs and solutions used while a patient; or
- gauze, cotton, fabrics, solutions, plaster and other materials used in dressings, bandages, and casts.

This benefit is available only if the patient requires a Physician's continuous care and 24-hour-a-day nursing care.

Benefits will not be provided when:

- A Member reaches the maximum level of recovery possible and no longer requires other than routine care;
- Care is primarily Custodial Care, not requiring definitive medical or 24-hour-a-day nursing service;
- Care is for mental illness including drug addiction, chronic brain syndromes and alcoholism, and no specific medical conditions exist that require care in a Skilled Nursing Facility;
- A Member is undergoing senile deterioration, mental deficiency or retardation, and has no medical condition requiring care;
- The care rendered is for other than Skilled Convalescent Care.

40. Surgical Care

Surgical procedures including the usual pre- and post-operative care. Some procedures require Precertification.

41. Treatment of Accidental Injury in a Physician's Office

All Outpatient surgical procedures related to the treatment of an Accidental Injury, when provided in a Physician's office, will be covered under the Member's Physician's office benefit if services are rendered by a Network Provider; services rendered by Out-of-Network Providers are subject to Deductible and Coinsurance requirements.

42. Prescription Drugs Administered by a Medical Provider

This Plan covers Prescription Drugs when they are administered to You as part of a doctor's visit, home care visit, or at an outpatient Facility. This includes Drugs for

infusion therapy, chemotherapy, Specialty Drugs, blood products, and office-based injectables and any drug that must be administered by a Provider. This section applies when your Provider orders the Drug and administers it to You. Benefits for Drugs that You inject or get at a Pharmacy (i.e., self-administered injectable Drugs) are not covered under this section. Benefits for those Drugs are described in the "Prescription Drug Benefit at a Retail or Home Delivery (Mail Order) Pharmacy" section.

Note: When Prescription Drugs are covered under this benefit, they will not also be covered under your Employer's Prescription Drug Plan. Also, if Prescription Drugs are covered under your Employer's Prescription Drug Plan they will not be covered under this benefit.

c) LIMITATIONS AND EXCLUSIONS

1. Any disease or Injury resulting from a war, declared or not, or any military duty or any release of nuclear energy. Also excluded are charges for services directly related military service provided or available from the Veterans' Administration or military facilities except as required by law.
2. Services for Custodial Care.
3. Services for confinement for custodial or convalescent care, rest cures or long-term custodial Hospital care.
4. Dental care and treatment and oral surgery (by Physicians or dentists) including dental surgery; dental appliances; dental prostheses such as crowns, bridges, or dentures; implants; orthodontic care; operative restoration of teeth (fillings); dental extractions; endodontic care; apicoectomies; excision of radicular cysts or granuloma; treatment of dental caries, gingivitis, or periodontal disease by gingivectomies or other periodontal surgery. Any treatment of teeth, gums or tooth related service except otherwise specified as covered in this Benefit Booklet.
5. Charges for treatment received before coverage under this option began or after it is terminated.
6. Treatments, procedures, equipment, drugs, devices or supplies (hereafter called "services") which are, in the Claims Administrator's judgment, Experimental or Investigational for the diagnosis for which the Member is being treated.
7. Services, treatment or supplies not generally accepted in medical practice for the prevention, diagnosis or treatment of an illness or injury, as determined by the Claims Administrator.
8. Foot care only to improve comfort or appearance, routine care of corns, bunions (except capsular or related surgery), calluses, toenail (except surgical removal or

care rendered as treatment of the diabetic foot or ingrown toenails), flat feet, fallen arches, weak feet, chronic foot strain, or asymptomatic complaints related to the feet. Coverage is available, however, for Medically Necessary foot care required as part of the treatment of diabetes and for Members with impaired circulation to the lower extremities.

9. Shoe inserts, orthotics (will be covered if prescribed by a physician for diseases of the foot or systemic diseases that affect the foot such as diabetes when deemed medically necessary).
10. Treatment where payment is made by any local, state, or federal government (except Medicaid), or for which payment would be made if the Member had applied for such benefits. Services that can be provided through a government program for which You as a member of the community are eligible for participation. Such programs include, but are not limited to, school speech and reading programs.
11. Services paid under Medicare. With respect to end-stage renal disease (ESRD), after 30 months, Medicare shall be treated as the primary payor whether or not the Participant has enrolled in Medicare Part B.
12. Services covered under Workers' Compensation, no-fault automobile insurance and/or services covered by similar statutory programs.
13. Court-ordered services, or those required by court order as a condition of parole or probation, unless Medically Necessary and approved by the Plan.
14. Outpatient prescription drugs prescribed by a physician and purchased or obtained from a retail pharmacy or retail pharmacist or a mail service pharmacy are excluded. These may be covered by a separate drug card program but not under this medical plan. Although coverage for Outpatient Prescription Drugs obtained from a retail pharmacy or pharmacist or mail service Pharmacy is excluded, certain Prescription Drugs are covered under your medical benefits when rendered in a Hospital, in a Physician's office, or as part of a Home Health Care benefit. Therefore, this exclusion does not apply to prescription drugs provided as Ancillary Services during an Inpatient stay or an Outpatient Surgical procedure; to prescription drugs used in conjunction with a Diagnostic Service; Chemotherapy performed in the office; home infusion or home IV therapy, nor drugs administered in your Physician's office.
15. Drugs, devices, products, or supplies with over the counter equivalents and any Drugs, devices, products, or supplies that are therapeutically comparable to an over the counter Drug, device, product, or supply.
16. Care, supplies, or equipment not Medically Necessary, as determined by the Claims Administrator, for the treatment of an Injury or illness. This includes, but is not limited

to, care which does not meet The Claims Administrator's medical policy, clinical coverage guidelines, or benefit policy guidelines.

17. Vitamins, minerals and food supplements, as well as vitamin injections not determined to be medically necessary in the treatment of a specific illness. Nutritional supplements, services, supplies and/or nutritional sustenance products (food) related to enteral feeding, except when determined to be medically necessary.
18. Services for Hospital confinement primarily for diagnostic studies.
19. Cosmetic Surgery, reconstructive surgery, pharmacological services, nutritional regimens or other services for beautification, or treatment relating to the consequences of, or as a result of, Cosmetic Surgery, except for reconstructive surgery following a mastectomy or when medically necessary to correct damage caused by an accident, an injury or to correct a congenital defect.
20. Donor Search/Compatibility, except as otherwise indicated.
21. Contraceptive Drugs, except for any above stated covered contraceptive devices. (See prescription drug benefits)
22. In-vitro Fertilization and Artificial Insemination.
23. Hair transplants, hairpieces or wigs (except when necessitated by disease), wig maintenance, or prescriptions or medications related to hair growth.
24. Services and supplies primarily for educational, vocational or training purposes, including but not limited to structured teaching, applied behavioral analysis, or educational interventions, except as expressly provided in this Benefit Booklet.
25. Religious, marital and sex counseling, including services and treatment related to religious counseling, marital/relationship counseling and sex therapy.
26. Christian Science Practitioner Services.
27. Services and supplies for smoking cessation programs and treatment of nicotine addiction, including gum, patches, and prescription drugs to eliminate or reduce the dependency on or addiction to tobacco and tobacco products unless otherwise required by law. (See prescription drug benefits)
28. Services provided in a Residential Treatment Center (RTC).
29. Services provided in a Halfway House.
30. Treatment or services provided by a non-licensed Provider, or that do not require a license to provide; services that consist of supervision by a Provider of a non-licensed person; services performed by a relative of a Member for which, in the absence of any health benefits coverage, no charge would be made; services

provided to the Member by a local, state or federal government agency, or by a public school system or school district, except when the plan's benefits must be provided by law; services if the Member is not required to pay for them or they are provided to the Member for free.

31. Routine care is not covered. Except for above stated covered preventive care services.
32. Services or supplies provided by a member of your family or household.
33. Charges or any portion of a charge in excess of the Maximum Allowed Amount as determined by the Claims Administrator for out-of-network claims.
34. Fees or charges made by an individual, agency or facility operating beyond the scope of its license.
35. Services and supplies for which you have no legal obligation to pay, or for which no charge has been made or would be made if you had no health insurance coverage.
36. Services for any form of telecommunication, unless otherwise noted in the benefits.
37. Charges for any of the following:
 - a) Failure to keep a scheduled visit;
 - b) Completion of claim forms or medical records or reports unless otherwise required by law;
 - c) For Physician or Hospital's stand-by services;
 - d) For holiday or overtime rates.
 - e) Membership, administrative, or access fees charged by Physicians or other Providers. Examples of administrative fees include, but are not limited to, fees charged for educational brochures or calling a patient to provide their test results.
 - f) Specific medical reports including those not directly related to the treatment of the Member, e.g., employment or insurance physicals, and reports prepared in connection with litigation.
38. Separate charges by interns, residents, house Physicians or other health care professionals who are employed by the covered facility, which makes their services available.
39. Personal comfort items such as those that are furnished primarily for your personal comfort or convenience, including those services and supplies not directly related to medical care, such as guest's meals and accommodations, barber services, telephone charges, radio and television rentals, homemaker services, travel expenses, and take-home supplies.

40. Reversal of vasectomy or reversal of tubal ligation.
41. Salabrasion, chemosurgery and other such skin abrasion procedures associated with the removal of scars, tattoos, and actinic changes.
42. Services for outpatient therapy or rehabilitation other than those specifically listed as covered in this Benefit Booklet. Excluded forms of therapy include, but are not limited to, primal therapy, chelation therapy, rolfing, psychodrama, megavitamin therapy, purging, bioenergetic therapy, in-home wrap around treatment, wilderness therapy and boot camp therapy.
43. Vision care services and supplies, including but not limited to eyeglasses, contact lenses and related or routine examinations and services. Eye refractions. Analysis of vision or the testing of its acuity. Service or devices to correct vision or for advice on such service. Orthoptic training is covered. This exclusion does not apply for initial prosthetic lenses or sclera shells following intraocular surgery or for soft contact lenses due to a medical condition, i.e. diabetes. (See Vision Plan for coverage.) (See vision benefit)
44. Related to radial keratotomy or keratomileusis or excimer laser photo refractive keratectomy; and surgery, services or supplies for the surgical correction of nearsightedness and/or astigmatism or any other correction of vision due to a refractive problem.
45. Services for weight loss programs, services and supplies. Weight loss programs included but are not limited to, commercial weight loss programs (Weight Watcher, Jenny Craig, and LA Weight Loss).

d) CLAIMS PAYMENT

Providers who participate in the BlueCard® PPO Network have agreed to submit claims directly to the local Blue Cross and/or Blue Shield plan in their area. Therefore if the BlueCard® PPO Network Hospitals, Physicians and Ancillary Providers are used, claims for their services will generally not have to be filed by the Member. In addition, many Out-of-Network Hospitals and Physicians will also file claims if the information on the Blue Cross and Blue Shield Identification Card is provided to them. If the provider requests a claim form to file a claim, a claim form can be obtained by contacting the HR Service Center at 1-800-344-8339 or by email to hrsc@volvo.com or by visiting www.anthem.com.

Please note You may be required to complete an authorization form in order to have Your claims and other personal information sent to the Claims Administrator when You receive care in foreign countries. Failure to submit such authorizations may prevent

foreign providers from sending Your claims and other personal information to the Claims Administrator.

1. How to File Claims

Under normal conditions, the Claims Administrator should receive the proper claim form within 12 months after the service was provided. This section of the Benefit Booklet describes when to file a benefits claim and when a Hospital or Physician will file the claim for You.

Each person enrolled through the Plan receives an Identification Card. Remember, in order to receive full benefits, You must receive treatment from a Network Provider. When admitted to a Network Hospital, present Your Identification Card. Upon discharge, You will be billed only for those charges not covered by the Plan.

When You receive Covered Services from a Network Physician or other Network licensed health care provider, payment for Covered Services will be made directly to the provider.

For health care expenses other than those billed by a Network Provider, use a claim form to report Your expenses. You may obtain these from the HR Service Center or the Claims Administrator. Claims should include Your name, Plan and Group numbers exactly as they appear on Your Identification Card. Attach all bills to the claim form and file directly with the Claims Administrator. Be sure to keep a photocopy of all forms and bills for Your records. The address is on the claim form.

Save all bills and statements related to Your illness or Injury. Make certain they are itemized to include dates, places and nature of services or supplies.

2. Maximum Allowed Amount

a) General

This section describes how the Claims Administrator determines the amount of reimbursement for Covered Services. Reimbursement for services rendered by Network and Out-of-Network Providers is based on this Plan's Maximum Allowed Amount for the Covered Service that You receive. Please see the Inter-Plan Programs section for additional information.

The Maximum Allowed Amount for this Plan is the maximum amount of reimbursement Anthem will allow for services and supplies:

- that meet Our definition of Covered Services, to the extent such services and supplies are covered under Your Plan and are not excluded;
- that are Medically Necessary; and
- that are provided in accordance with all applicable preauthorization, utilization management or other requirements set forth in Your Plan.

You will be required to pay a portion of the Maximum Allowed Amount to the extent You have not met Your Deductible or have a Copayment or Coinsurance. In addition, when You receive Covered Services from an Out-of-Network Provider, You may be responsible for paying any difference between the Maximum Allowed Amount and the Provider's actual charges. This amount can be significant.

When You receive Covered Services from a Provider, the Claims Administrator will, to the extent applicable, apply claim processing rules to the claim submitted for those Covered Services. These rules evaluate the claim information and, among other things, determine the accuracy and appropriateness of the procedure and diagnosis codes included in the claim. Applying these rules may affect Claims Administrator's determination of the Maximum Allowed Amount. The Claims Administrator's application of these rules does not mean that the Covered Services You received were not Medically Necessary. It means the Claims Administrator has determined that the claim was submitted inconsistent with procedure coding rules and/or reimbursement policies. For example, Your Provider may have submitted the claim using several procedure codes when there is a single procedure code that includes all of the procedures that were performed. When this occurs, the Maximum Allowed Amount will be based on the single procedure code rather than a separate Maximum Allowed Amount for each billed code.

Likewise, when multiple procedures are performed on the same day by the same Physician or other healthcare professional, the Plan may reduce the Maximum Allowed Amounts for those secondary and subsequent procedures because reimbursement at 100% of the Maximum Allowed Amount for those procedures would represent duplicative payment for components of the primary procedure that may be considered incidental or inclusive.

b) Provider Network Status

The Maximum Allowed Amount may vary depending upon whether the Provider is a Network Provider or an Out-of-Network Provider.

A Network Provider is a Provider who is in the managed network for this specific product or in a special Center of Excellence or other closely managed specialty network, or who has a participation contract with the Claims Administrator. For Covered Services performed by a Network Provider, the Maximum Allowed Amount for this Plan is the rate the Provider has agreed with the Claims Administrator to accept as reimbursement for the Covered Services. Because Network Providers have agreed to accept the Maximum Allowed Amount as payment in full for those Covered Services, they should not send You a bill or collect for amounts above the Maximum Allowed Amount. However, You may receive a bill or be asked to pay all or a portion of the Maximum Allowed Amount to the extent You have not met Your Deductible or have a Copayment or Coinsurance. Please call Customer Service for help in finding a Network Provider or visit www.anthem.com.

Providers who have not signed any contract with the Claims Administrator and are not in any of the Claims Administrator's networks are Out-of-Network Providers, subject to Blue Cross Blue Shield Association rules governing claims filed by certain ancillary providers.

For Covered Services You receive from an Out-of-Network Provider, the Maximum Allowed Amount for this Plan will be one of the following as determined by the Claims Administrator:

- i. An amount based on the Claims Administrator's Out-of-Network Provider fee schedule/rate, which the Claims Administrator has established in its' discretion, and which the Claims Administrator reserves the right to modify from time to time, after considering one or more of the following: reimbursement amounts accepted by like/similar providers contracted with the Claims Administrator, reimbursement amounts paid by the Centers for Medicare and Medicaid Services for the same services or supplies, and other industry cost, reimbursement and utilization data; or
- ii. An amount based on reimbursement or cost information from the Centers for Medicare and Medicaid Services ("CMS"). When basing the Maximum Allowed amount upon the level or method of reimbursement used by CMS, the Administrator will update such information, which is unadjusted for geographic locality, no less than annually; or
- iii. An amount based on information provided by a third party vendor, which may reflect one or more of the following factors: (1) the complexity or severity of treatment; (2) level of skill and experience

required for the treatment; or (3) comparable providers' fees and costs to deliver care; or

- iii. An amount negotiated by the Claims Administrator or a third party vendor which has been agreed to by the Provider. This may include rates for services coordinated through case management; or
- iv. An amount based on or derived from the total charges billed by the Out-of-Network Provider.

Providers who are not contracted for this product, but contracted for other products with the Claims Administrator are also considered Out-of-Network. For this Plan, the Maximum Allowed Amount for services from these Providers will be one of the five methods shown above unless the contract between the Claims Administrator and that Provider specifies a different amount.

Unlike Network Providers, Out-of-Network Providers may send You a bill and collect for the amount of the Provider's charge that exceeds the Plan's Maximum Allowed Amount. You are responsible for paying the difference between the Maximum Allowed Amount and the amount the Provider charges. This amount can be significant. Choosing a Network Provider will likely result in lower Out of Pocket costs to You. Please call Customer Service for help in finding a Network Provider or visit the Claims Administrator's website at www.anthem.com.

Customer Service is also available to assist You in determining this Plan's Maximum Allowed Amount for a particular service from an Out-of-Network Provider. In order for the Claims Administrator to assist You, You will need to obtain from Your Provider the specific procedure code(s) and diagnosis code(s) for the services the Provider will render. You will also need to know the Provider's charges to calculate Your Out of Pocket responsibility. Although Customer Service can assist You with this pre-service information, the final Maximum Allowed Amount for Your claim will be based on the actual claim submitted by the Provider.

c) Member Cost Share

- i. For certain Covered Services and depending on Your plan design, You may be required to pay a part of the Maximum Allowed Amount as Your cost share amount (for example, Deductible, Copayment, and/or Coinsurance).

- ii. Your cost share amount and Out-of-Pocket Limits may vary depending on whether You received services from a Network or Out-of-Network Provider. Specifically, You may be required to pay higher cost sharing amounts or may have limits on Your benefits when using Out-of-Network Providers. Please see the Schedule of Benefits in this Benefit Booklet for Your cost share responsibilities and limitations, or call Customer Service to learn how this Plan's benefits or cost share amounts may vary by the type of Provider You use.
- iii. The Plan will not provide any reimbursement for non-Covered Services. You may be responsible for the total amount billed by Your Provider for non-Covered Services, regardless of whether such services are performed by a Network or Out-of-Network Provider. Non-Covered Services include services specifically excluded from coverage by the terms of this Benefit Booklet and services received after benefits have been exhausted. Benefits may be exhausted by exceeding, for example, benefit caps or day/visit limits.
- iv. In some instances You may only be asked to pay the lower Network cost sharing amount when You use an Out-of-Network Provider. For example, if You go to a Network Hospital or Provider facility and receive Covered Services from an Out-of-Network Provider such as a radiologist, anesthesiologist or pathologist who is employed by or contracted with a Network Hospital or facility, You will pay the Network cost share amounts for those Covered Services. However, You also may be liable for the difference between the Maximum Allowed Amount and the Out-of-Network Provider's charge.

d) Authorized Services

In some circumstances, such as where there is no Network Provider available for the Covered Service, the Plan may authorize the Network cost share amounts (Deductible, Copayment, and/or Coinsurance) to apply to a claim for a Covered Service You receive from an Out-of-Network Provider. In such circumstance, You must contact the Claims Administrator in advance of obtaining the Covered Service. The Plan also may authorize the Network cost share amounts to apply to a claim for Covered Services if You receive Emergency services from an Out-of-Network Provider and are not able to contact the Claims Administrator until after the Covered Service is rendered. If the Plan authorizes a Network cost share amount to apply to a Covered Service received from an Out-of-Network Provider, You also may still be liable for the difference between the Maximum

Allowed Amount and the Out-of-Network Provider's charge. Please contact Customer Service for Authorized Services information or to request authorization.

3. Services Performed During Same Session

The Plan may combine the reimbursement of Covered Services when more than one service is performed during the same session. Reimbursement is limited to the Plan's Maximum Allowed Amount. **If services are performed by Out-of-Network Providers**, then You are responsible for any amounts charged in excess of the Plan's Maximum Allowed Amount **with or without a referral or regardless if allowed as an Authorized Service**. Contact the Claims Administrator for more information.

4. Processing Your Claim

You are responsible for submitting Your claims for expenses not normally billed by and payable to a Hospital or Physician. Always make certain You have Your Identification Card with You. Be sure Hospital or Physician's office personnel copy Your name, and identification numbers (including the 3-letter prefix) accurately when completing forms relating to Your coverage.

5. Timeliness of Filing for Member Submitted Claims

To receive benefits, a properly completed claim form with any necessary reports and records must be filed by You within 12 months of the date of service. Payment of claims will be made as soon as possible following receipt of the claim, unless more time is required because of incomplete or missing information. In this case, You will be notified of the reason for the delay and will receive a list of all information needed to continue processing Your claim. After this data is received, the Claims Administrator will complete claims processing. No request for an adjustment of a claim can be submitted later than 24 months after the claim has been paid.

6. Necessary Information

In order to process Your claim, the Claims Administrator may need information from the provider of the service. As a Member, You agree to authorize the Physician, Hospital, or other provider to release necessary information.

The Claims Administrator will consider such information confidential. However, the Plan and the Claims Administrator have the right to use this information to defend or explain a denied claim.

7. Claims Review

The Claims Administrator has processes to review claims before and after payment to detect fraud, waste, abuse and other inappropriate activity. Members seeking services from Out-of-Network Providers could be balanced billed by the Out-of-Network Provider for those services that are determined to be not payable as a result of these review processes. A claim may also be determined to be not payable due to a Provider's failure to submit medical records with the claims that are under review in these processes.

8. Explanation of Benefits

After You receive medical care, You will generally receive an Explanation of Benefits (EOB). The EOB is a summary of the coverage You receive. The EOB is not a bill, but a statement sent by the Claims Administrator, to help You understand the coverage You are receiving. The EOB shows:

- total amounts charged for services/supplies received;
- the amount of the charges satisfied by Your coverage;
- the amount for which You are responsible (if any); and
- general information about Your Appeals rights and for ERISA plans, information regarding the right to bring an action after the Appeals process.

9. Inter-Plan Programs

a) Out-of-Area Services

Anthem has a variety of relationships with other Blue Cross and/or Blue Shield Licensees referred to generally as “Inter-Plan Programs.” Whenever You obtain healthcare services outside of Anthem’s service area, the claims for these services may be processed through one of these Inter-Plan Programs, which include the BlueCard Program and may include negotiated National Account arrangements available between Anthem and other Blue Cross and Blue Shield Licensees.

Typically, when accessing care outside Anthem’s service area, You will obtain care from healthcare Providers that have a contractual agreement (i.e., are “participating providers”) with the local Blue Cross and/or Blue Shield Licensee in that other geographic area (“Host Blue”). In some instances, You may obtain care from

nonparticipating healthcare Providers. Anthem's payment practices in both instances are described below.

b) BlueCard® Program

Under the BlueCard® Program, when You access covered healthcare services within the geographic area served by a Host Blue, Anthem will remain responsible for fulfilling Anthem's contractual obligations. However, the Host Blue is responsible for contracting with and generally handling all interactions with its participating healthcare Providers.

Whenever You access covered healthcare services outside Anthem's service area and the claim is processed through the BlueCard Program, the amount You pay for covered healthcare services is calculated based on the lower of:

- The billed covered charges for Your Covered Services; or
- The negotiated price that the Host Blue makes available to Anthem.

Often, this "negotiated price" will be a simple discount that reflects an actual price that the Host Blue pays to Your healthcare Provider. Sometimes, it is an estimated price that takes into account special arrangements with Your healthcare Provider or Provider group that may include types of settlements, incentive payments, and/or other credits or charges. Occasionally, it may be an average price, based on a discount that results in expected average savings for similar types of healthcare Providers after taking into account the same types of transactions as with an estimated price.

Estimated pricing and average pricing, going forward, also take into account adjustments to correct for over- or underestimation of modifications of past pricing for the types of transaction modifications noted above. However, such adjustments will not affect the price Anthem uses for Your claim because they will not be applied retroactively to claims already paid.

Federal law or the laws in a small number of states may require the Host Blue to add a surcharge to your calculation. If federal law or any state laws mandate other liability calculation methods, including a surcharge, the Claims Administrator would then calculate your liability for any covered healthcare services according to applicable law.

You will be entitled to benefits for healthcare services that You accessed either inside or outside the geographic area Anthem serves, if this Booklet covers those healthcare services. Due to variations in Host Blue network protocols, You may also be entitled to benefits for some healthcare services obtained outside the geographic

area Anthem serves, even though You might not otherwise have been entitled to benefits if You had received those healthcare services inside the geographic area Anthem serves. But in no event will You be entitled to benefits for healthcare services, wherever You received them that are specifically excluded from, or in excess of the limits of, coverage provided by this Plan.

c) Non-Participating Healthcare Providers Outside Anthem's Service Area

i. Member Liability Calculation

When covered healthcare services are provided outside of the Claims Administrator's Service Area by non-participating healthcare providers, the amount You pay for such services will generally be based on either the Host Blue's nonparticipating healthcare provider local payment or the pricing arrangements required by applicable state law. In these situations, You may be liable for the difference between the amount that the non-participating healthcare provider bills and the payment the Claims Administrator will make for the Covered Services as set forth in this paragraph.

ii. Exceptions

In certain situations, the Claims Administrator may use other payment bases, such as billed covered charges, the payment the Administrator would make if the healthcare services had been obtained within the Claims Administrator's Service Area, or a special negotiated payment, as permitted under Inter-Plan Programs Policies, to determine the amount the Administrator will pay for services rendered by nonparticipating healthcare providers. In these situations, You may be liable for the difference between the amount that the non-participating healthcare provider bills and the payment the Claims Administrator will make for the Covered Services as set forth in this paragraph.

If You obtain services in a state with more than one Blue Plan network, an exclusive network arrangement may be in place. If You see a Provider who is not part of an exclusive network arrangement, that Provider's service(s) will be considered Out-of-Network care, and You may be billed the difference between the charge and the Maximum Allowable Amount. You may call the Customer Service number on Your ID card or go to www.anthem.com for more information about such arrangements.

10. Unauthorized Use of Identification Card

If You permit Your Identification Card to be used by someone else or if You use the card before coverage is in effect or after coverage has ended, You will be liable for

payment of any expenses incurred resulting from the unauthorized use. Fraudulent misuse could also result in termination of the coverage. Fraudulent statements on enrollment forms and/or claims for services or payment involving all media (paper or electronic) may invalidate any payment or claims for services and be grounds for voiding the Member's coverage. This includes fraudulent acts to obtain medical services and/or Prescription Drugs.

11. Assignment

You authorize the Claims Administrator, on behalf of the Employer, to make payments directly to Providers for Covered Services. The Claims Administrator also reserves the right to make payments directly to You. Payments may also be made to, and notice regarding the receipt and/or adjudication of claims, an Alternate Recipient, or that person's custodial parent or designated representative. Any payments made by the Claims Administrator will discharge the Employer's obligation to pay for Covered Services. You cannot assign Your right to receive payment to anyone else, except as required by a "Qualified Medical Child Support Order" as defined by ERISA or any applicable Federal law.

Once a Provider performs a Covered Service, the Claims Administrator will not honor a request to withhold payment of the claims submitted.

The coverage and any benefits under the Plan are not assignable by any Member without the written consent of the Plan, except as provided above.

12. Questions About Coverage or Claims

If You have questions about Your coverage, contact Your Plan Administrator or the Claims Administrator's Customer Service Department. Be sure to always give Your Member Identification number.

When asking about a claim, give the following information:

- identification number;
- patient's name and address;
- date of service and type of service received; and
- provider name and address (Hospital or Physician).

To find out if a Hospital or Physician is a Network Provider, call them directly or call the Claims Administrator.

The Plan does not supply You with a Hospital or Physician. In addition, neither the Plan nor the Claims Administrator is responsible for any Injuries or damages You may suffer due to actions of any Hospital, Physician or other person. In order to process Your claims, the Claims Administrator or the Plan Administrator may request additional information about the medical treatment You received and/or other group health insurance You may have. This information will be treated confidentially.

An oral explanation of Your benefits by an employee of the Claims Administrator, Plan Administrator or Plan Sponsor is not legally binding.

Any correspondence mailed to You will be sent to Your most current address. You are responsible for notifying the Plan Administrator or the Claims Administrator of Your new address.

e) SUBROGATION AND REIMBURSEMENT

These provisions apply when the Plan pays benefits as a result of injuries or illnesses You sustained and You have a right to a Recovery or have received a Recovery from any source.

1. Recovery

A "Recovery" includes, but is not limited to, monies received from any person or party, any person's or party's liability insurance, uninsured/underinsured motorist proceeds, workers' compensation insurance or fund, "no-fault" insurance and/or automobile medical payments coverage, whether by lawsuit, settlement or otherwise. Regardless of how You or Your representative or any agreements characterize the money You receive as a Recovery, it shall be subject to these provisions.

2. Subrogation

The Plan has the right to recover payments it makes on Your behalf from any party responsible for compensating You for Your illnesses or injuries. The following apply:

- The Plan has first priority from any Recovery for the full amount of benefits it has paid regardless of whether You are fully compensated, and regardless of whether the payments You receive make You whole for Your losses, illnesses and/or injuries.
- You and Your legal representative must do whatever is necessary to enable the Plan to exercise the Plan's rights and do nothing to prejudice those rights.

- In the event that You or Your legal representative fail to do whatever is necessary to enable the Plan to exercise its subrogation rights, the Plan shall be entitled to deduct the amount the Plan paid from any future benefits under the Plan.
- The Plan has the right to take whatever legal action it sees fit against any person, party or entity to recover the benefits paid under the Plan.
- To the extent that the total assets from which a Recovery is available are insufficient to satisfy in full the Plan's subrogation claim and any claim held by You, the Plan's subrogation claim shall be first satisfied before any part of a Recovery is applied to Your claim, Your attorney fees, other expenses or costs.
- The Plan is not responsible for any attorney fees, attorney liens, other expenses or costs You incur without the Plan's prior written consent. The "common fund" doctrine does not apply to any funds recovered by any attorney You hire regardless of whether funds recovered are used to repay benefits paid by the Plan.

3. Reimbursement

If You obtain a Recovery and the Plan has not been repaid for the benefits the Plan paid on Your behalf, the Plan shall have a right to be repaid from the Recovery in the amount of the benefits paid on Your behalf and the following provisions will apply:

- You must reimburse the Plan from any Recovery to the extent of benefits the Plan paid on Your behalf regardless of whether the payments You receive make You whole for Your losses, illnesses and/or injuries.
- Notwithstanding any allocation or designation of Your Recovery (e.g., pain and suffering) made in a settlement agreement or court order, the Plan shall have a right of full recovery, in first priority, against any Recovery. Further, the Plan's rights will not be reduced due to Your negligence.
- You and Your legal representative must hold in trust for the Plan the proceeds of the gross Recovery (*i.e.*, the total amount of Your Recovery before attorney fees, other expenses or costs) to be paid to the Plan immediately upon Your receipt of the Recovery. You must reimburse the Plan, in first priority and without any set-off or reduction for attorney fees, other expenses or costs. The "common fund" doctrine does not apply to any funds recovered by any attorney You hire regardless of whether funds recovered are used to repay benefits paid by the Plan.

- If You fail to repay the Plan, the Plan shall be entitled to deduct any of the unsatisfied portion of the amount of benefits the Plan has paid or the amount of Your Recovery whichever is less, from any future benefit under the Plan if:
 1. the amount the Plan paid on Your behalf is not repaid or otherwise recovered by the Plan; or
 2. You fail to cooperate.
- In the event that You fail to disclose the amount of Your settlement to the Plan, the Plan shall be entitled to deduct the amount of the Plan's lien from any future benefit under the Plan.
- The Plan shall also be entitled to recover any of the unsatisfied portions of the amount the Plan has paid or the amount of Your Recovery, whichever is less, directly from the Providers to whom the Plan has made payments on Your behalf. In such a circumstance, it may then be Your obligation to pay the Provider the full billed amount, and the Plan will not have any obligation to pay the Provider or reimburse You.
- The Plan is entitled to reimbursement from any Recovery, in first priority, even if the Recovery does not fully satisfy the judgment, settlement or underlying claim for damages or fully compensate You or make You whole.

4. Your Duties

- You must notify the Plan promptly of how, when and where an accident or incident resulting in personal Injury or illness to You occurred and all information regarding the parties involved.
- You must cooperate with the Plan in the investigation, settlement and protection of the Plan's rights. In the event that You or Your legal representative fail to do whatever is necessary to enable the Plan to exercise its subrogation or reimbursement rights, the Plan shall be entitled to deduct the amount the Plan paid from any future benefits under the Plan.
- You must not do anything to prejudice the Plan's rights.
- You must send the Plan copies of all police reports, notices or other papers received in connection with the accident or incident resulting in personal Injury or illness to You.

- You must promptly notify the Plan if You retain an attorney or if a lawsuit is filed on Your behalf.

The Plan Sponsor has sole discretion to interpret the terms of the Subrogation and Reimbursement provision of this Plan in its entirety and reserves the right to make changes as it deems necessary.

If the covered person is a minor, any amount recovered by the minor, the minor's trustee, guardian, parent, or other representative, shall be subject to this provision. Likewise, if the covered person's relatives, heirs, and/or assignees make any Recovery because of injuries sustained by the covered person, that Recovery shall be subject to this provision.

The Plan shall be secondary in coverage to any medical payments provision, no-fault automobile insurance policy or personal Injury protection policy regardless of any election made by You to the contrary. The Plan shall also be secondary to any excess insurance policy, including, but not limited to, school and/or athletic policies.

The Plan is entitled to recover its attorney's fees and costs incurred in enforcing this provision.

General Information

1. Workers' Compensation

The benefits under the Plan are not designed to duplicate any benefit for which Members are eligible under the Workers' Compensation Law. All sums paid or payable by Workers' Compensation for services provided to a Member shall be reimbursed by, or on behalf of, the Member to the Plan to the extent the Plan has made or makes payment for such services. It is understood that coverage hereunder is not in lieu of, and shall not affect, any requirements for coverage under Workers' Compensation or equivalent employer liability or indemnification law.

2. Other Government Programs

Except insofar as applicable law would require the Plan to be the primary payor, the benefits under the Plan shall not duplicate any benefits to which Members are entitled, or for which they are eligible under any other governmental program. To the extent the Plan has duplicated such benefits, all sums payable under such programs for services to Members shall be paid by or on behalf of the Member to the Plan.

3. Medicare Program

When You are eligible for the Medicare program and Medicare is allowed by federal law to be the primary payor, the benefits described in this Benefit Description will be reduced by the amount of benefits allowed under Medicare for the same *Covered Services*.

- If You Are Under Age 65 With End Stage Renal Disease (ESRD)

If You are under age 65 and eligible for Medicare only because of ESRD (permanent kidney failure), the Plan will provide the benefits described in this Benefit Description before Medicare benefits. This includes the Medicare “three month waiting period” and the additional **30 months** after the Medicare effective date. After 33 months, the benefits described in this Benefit Description will be reduced by the amount that Medicare allows for the same *Covered Services*.

- If You Are Under Age 65 With Other Disability

If You are under age 65 and eligible for Medicare only because of a disability other than ESRD, the Plan will provide the benefits described in this Benefit Description before Medicare benefits. This is the case **only** if You are the actively employed *Subscriber* or the enrolled Spouse or child of the actively employed Subscriber and you are not receiving reimbursement for Part B Medicare premiums from the Company because you are enrolled in Medicare Part B.

- If You Are Age 65 or Older

If You are age 65 or older and eligible for Medicare only because of age, the Plan will provide the benefits described in this Benefit Description before Medicare. This can be the case only if You are an actively employed Subscriber or the enrolled Spouse of the actively employed Subscriber.

4. Right of Recovery

Whenever payment has been made in error, the Plan will have the right to recover such payment from You or, if applicable, the Provider. In the event the Plan recovers a payment made in error from the Provider, except in cases of fraud, the Plan will only recover such payment from the Provider during the 24 months after the date the Plan made the payment on a claim submitted by the Provider. The Plan reserves the right to deduct or offset any amounts paid in error from any pending or future claim. The cost share amount shown in Your Explanation of Benefits is the final determination and You will not receive notice of an adjusted cost share amount as a result of such recovery activity.

The Claims Administrator has oversight responsibility for compliance with Provider and vendor and Subcontractor contracts. The Claims Administrator may enter into a settlement or compromise regarding enforcement of these contracts and may retain any recoveries made from a Provider, Vendor, or Subcontractor resulting from these audits if the return of the overpayment is not feasible. The Claims Administrator has established recovery policies to determine which recoveries are to be pursued, when to incur costs and expenses and settle or compromise recovery amounts. The Claims Administrator will not pursue recoveries for overpayments if the cost of collection exceeds the overpayment amount. The Claims Administrator may not provide You with notice of overpayments made by the Plan or You if the recovery method makes providing such notice administratively burdensome.

5. Notice

Any notice given under the Plan shall be in writing. The notices shall be sent to: The Employer at its principal place of business; to You at the Subscriber's address as it appears on the records or in care of the Employer.

6. Fraud

Fraudulent statements on Plan enrollment forms or on electronic submissions will invalidate any payment or claims for services and be grounds for voiding the Member's coverage.

7. Conformity with Law

Any provision of the Plan which is in conflict with the applicable federal laws and regulations is hereby amended to conform with the minimum requirements of such laws.

8. Clerical Error

Clerical error, whether of the Claims Administrator or the Employer, in keeping any record pertaining to this coverage will not invalidate coverage otherwise validly in force or continue benefits otherwise validly terminated.

9. Policies and Procedures

The Claims Administrator, on behalf of the Employer, may adopt reasonable policies, procedures, rules and interpretations to promote the orderly and efficient administration of the Plan with which a Member shall comply.

10. Value-Added Programs

The Claims Administrator may offer health or fitness related programs to Members, through which You may access discounted rates from certain vendors for products and services available to the general public. Products and services available under this program are not Covered Services under the Plan but are in addition to plan benefits. As such, program features are not guaranteed under Your Employer's Group health Plan and could be discontinued at any time. The Claims Administrator does not endorse any vendor, product or service associated with this program. Program vendors are solely responsible for the products and services You receive.

11. Waiver

No agent or other person, except an authorized officer of the Employer, has authority to waive any conditions or restrictions of the Plan, to extend the time for making a payment to the Plan, or to bind the Plan by making any promise or representation or by giving or receiving any information.

g) Definitions

1. Accidental Injury

Bodily Injury sustained by a Member as the result of an unforeseen event and which is the direct cause (independent of disease, bodily infirmity or any other cause) for care which the Member receives. Such care must occur while this Plan is in force. It does not include injuries for which benefits are provided under any Workers' Compensation, Employer's liability or similar law.

2. Administrative Services Agreement

The agreement between the Claims Administrator and the Employer regarding the administration of certain elements of the health care benefits of the Employer's Group Health Plan.

3. Ambulance Services

A state-licensed emergency vehicle which carries injured or sick persons to a Hospital. Services which offer non-emergency, convalescent or invalid care do not meet this definition.

4. Authorized Service(s)

A Covered Service rendered by any Provider other than a Network Provider, which has been authorized in advance (except for Emergency Care which may be authorized after the service is rendered) by the Claims Administrator to be paid at the Network level. The Member **may** be responsible for the difference between the Out-of-Network Provider's charge and the Maximum Allowable Amount, in addition to any applicable Network Coinsurance, Copayment or Deductible. For more information, see the "Claims Payment" section.

5. Behavioral Health Care

Covered by Integrated Behavioral Health

6. Benefit Period

One year, January 1 – December 31 (also called year or the calendar year). It does not begin before a Member's Effective Date. It does not continue after a Member's coverage ends.

7. Centers of Excellence (COE) Network

A network of health care facilities selected for specific services based on criteria such as experience, outcomes, efficiency, and effectiveness. For example, an organ transplant managed care program wherein Members access select types of benefits through a specific network of medical centers.

A network of health care professionals contracted with the Claims Administrator or one or more of its affiliates, to provide transplant or other designated specialty services.

8. Claims Administrator

The company the Plan Sponsor chose to administer its health benefits. Anthem Health Plans of Virginia was chosen to administer this Plan. The Claims Administrator provides administrative claims payment services only and does not assume any financial risk or obligation with respect to claims.

9. Coinsurance

If a Member's coverage is limited to a certain percentage, for example 80%, then the remaining 20% for which the Member is responsible is the Coinsurance amount. The Coinsurance may be capped by the Out-of-Pocket Maximum.

10. Combined Limit

The maximum total of Network and Out-of-Network benefits available for designated health services in the **Schedule of Benefits**.

11. Complications of Pregnancy

Complications of Pregnancy result from conditions requiring Hospital confinement when the pregnancy is not terminated. The diagnoses of the complications are distinct from pregnancy but adversely affected or caused by pregnancy.

Such conditions include acute nephritis, nephrosis, cardiac decompensation, missed or threatened abortion, preeclampsia, intrauterine fetal growth retardation and similar medical and surgical conditions of comparable severity. An ectopic pregnancy which is terminated is also considered a Complication of Pregnancy.

Complications of Pregnancy shall not include false labor, caesarean section, occasional spotting, Physician prescribed rest during the period of pregnancy, morning sickness, hyperemesis gravidarum and similar conditions associated with the management of a difficult pregnancy which are not diagnosed distinctly as Complications of Pregnancy.

12. Congenital Anomaly

A condition or conditions that are present at birth regardless of causation. Such conditions may be hereditary or due to some influence during gestation.

13. Coordination of Benefits

A provision that is intended to avoid claims payment delays and duplication of benefits when a person is covered by two or more plans providing benefits or services for medical, dental or other care or treatment. It avoids claims payment delays by establishing an order in which plans pay their claims and providing an authority for the orderly transfer of information needed to pay claims promptly. It may avoid duplication of benefits by permitting a reduction of the benefits of a plan when, by the rules established by this provision, it does not have to pay its benefits first.

14. Copayment

A cost-sharing arrangement in which a Member pays a specified charge for a Covered Service, such as the Copayment indicated in the **Schedule of Benefits** for an office visit. The Member is usually responsible for payment of the Copayment at the time the health care is rendered. Copayments are distinguished from Coinsurance as flat dollar amounts rather than percentages of the charges for

services rendered and are typically collected by the provider when services are rendered.

15. Cosmetic Surgery

Any non-Medically Necessary surgery or procedure, the primary purpose of which is to improve or change the appearance of any portion of the body, but which does not restore bodily function, correct a disease state, physical appearance or disfigurement caused by an accident, birth defect, or correct or naturally improve a physiological function. Cosmetic Surgery includes but is not limited to rhinoplasty, lipectomy, surgery for sagging or extra skin, any augmentation or reduction procedures (e.g., mammoplasty, liposuction, keloids, rhinoplasty and associated surgery) or treatment relating to the consequences or as a result of Cosmetic Surgery.

16. Covered Dependent

Any Dependent in a Subscriber's family who meets all the requirements of the Eligibility section of this Benefit Booklet, has enrolled in the Plan, and is subject to Administrative Service Fee requirements set forth by the Plan.

17. Covered Services

Medically Necessary health care services and supplies that are: (a) defined as Covered Services in the Member's Plan, (b) not excluded under such Plan, (c) not Experimental/Investigative and (d) provided in accordance with such Plan.

18. Covered Transplant Procedure

Any Medically Necessary human organ and stem cell/bone marrow transplants and transfusions as determined by the Claims Administrator including necessary acquisition procedures, harvest and storage, and including Medically Necessary preparatory myeloablative therapy.

19. Custodial Care

Any type of care, including room and board, that (a) does not require the skills of professional or technical personnel; (b) is not furnished by or under the supervision of such personnel or does not otherwise meet the requirements of post-Hospital Skilled Nursing Facility care; (c) is a level such that the Member has reached the maximum level of physical or mental function and is not likely to make further significant improvement. Custodial Care includes, but is not limited to, any type of care the primary purpose of which is to attend to the Member's activities of daily living which do not entail or require the continuing attention of trained medical or

paramedical personnel. Examples of Custodial Care include, but are not limited to, assistance in walking, getting in and out of bed, bathing, dressing, feeding, using the toilet, changes of dressings of non-infected, post-operative or chronic conditions, preparation of special diets, supervision of medication that can be self-administered by the Member, general maintenance care of colostomy or ileostomy, routine services to maintain other services which, in the sole determination of the Plan, can be safely and adequately self-administered or performed by the average non-medical person without the direct supervision of trained medical and paramedical personnel, regardless of who actually provides the service, residential care and adult day care, protective and supportive care including educational services, rest care and convalescent care.

20. Deductible

The portion of the bill You must pay before Your medical expenses become Covered Services.

21. Dependent

The Spouse and all children until attaining age limit stated in the Eligibility section. Children include natural children, legally adopted children and stepchildren. Also included are Your children (or children of Your Spouse) for whom You have legal responsibility resulting from a valid court decree. Mentally retarded or physically disabled children remain covered no matter what age. You must give the Claims Administrator evidence of Your child's incapacity within 31 days of attainment of age 26. The certification form may be obtained from the Claims Administrator or Your Employer. This proof of incapacity may be required annually by the Plan. Such children are not eligible under this Plan if they are already 26 or older at the time coverage is effective.

22. Detoxification

The process whereby an alcohol or drug intoxicated or alcohol or drug dependent person is assisted, in a facility licensed by the appropriate regulatory authority, through the period of time necessary to eliminate, by metabolic or other means, the intoxicating alcohol or drug, alcohol or drug dependent factors or alcohol in combination with drugs as determined by a licensed Physician, while keeping the physiological risk to the patient to a minimum.

23. Developmental Delay

The statistical variation, as defined by standardized, validated developmental screening tests, such as the Denver Developmental Screening Test, in reaching age appropriate verbal/growth/motor skill developmental milestones when there is no

apparent medical or psychological problem. It alone does not constitute an illness or an Injury.

24. Durable Medical Equipment

Equipment which is (a) made to withstand prolonged use; (b) made for and mainly used in the treatment of a disease or Injury; (c) suited for use while not confined as an Inpatient at a Hospital; (d) not normally of use to persons who do not have a disease or Injury; (e) not for exercise or training.

25. Effective Date

The date for which the Plan approves an individual application for coverage. For individuals who join this Plan after the first enrollment period, the Effective Date is the date the Claims Administrator approves each future Member according to its normal procedures.

26. Elective Surgical Procedure

A surgical procedure that is not considered to be an emergency, and may be delayed by the Member to a later point in time.

27. Emergency Medical Condition

(“Emergency services,” “emergency care,” or “Medical Emergency”) Emergency Medical Condition means a medical condition manifesting itself by acute symptoms of sufficient severity (including severe pain) such that a prudent layperson, who possesses an average knowledge of health and medicine, could reasonably expect the absence of immediate medical attention to result in one of the following conditions:

- Placing the health of the individual (or, with respect to a pregnant woman, the health of the woman or her unborn child) in serious jeopardy;
- Serious impairment to bodily functions; or
- Serious dysfunction of any bodily organ or part.

28. Employee

A person who is engaged in active employment with the Employer and is eligible for Plan coverage under the employment regulations of the Employer. The Employee is also called the Subscriber.

29. Employer

An Employer who has allowed its Employees to participate in the Plan by acting as the Plan Sponsor or adopting the Plan as a participating Employer by executing a formal document that so provides.

30. Experimental/Investigative

Any Drug, biologic, device, Diagnostic, product, equipment, procedure, treatment, service, or supply used in or directly related to the diagnosis, evaluation, or treatment of a disease, injury, illness, or other health condition which the Claims Administrator determines to be unproven.

The Claims Administrator will deem any Drug, biologic, device, Diagnostic, product, equipment, procedure, treatment, service, or supply to be Experimental/Investigative if the Claims Administrator, determines that one or more of the following criteria apply when the service is rendered with respect to the use for which benefits are sought. The Drug, biologic, device, Diagnostic, product, equipment, procedure, treatment, service, or supply:

- Cannot be legally marketed in the United States without the final approval of the Food and Drug Administration (FDA), or other licensing or regulatory agency, and such final approval has not been granted;
- Has been determined by the FDA to be contraindicated for the specific use; or
- Is provided as part of a clinical research protocol or clinical trial or is provided in any other manner that is intended to evaluate the safety, toxicity, or efficacy of the Drug, biologic, device, Diagnostic, product, equipment, procedure, treatment, service, or supply; or
- Is subject to review and approval of an Institutional Review Board (IRB) or other body serving a similar function; or
- Is provided pursuant to informed consent documents that describe the Drug, biologic, device, Diagnostic, product, equipment, procedure, treatment, service, or supply as Experimental/Investigative, or otherwise indicate that the safety, toxicity, or efficacy of the Drug, biologic, device, Diagnostic, product, equipment, procedure, treatment, service, or supply is under evaluation.

Any service not deemed Experimental/Investigative based on the criteria above may still be deemed Experimental/Investigative by the Claims Administrator. In determining whether a Service is Experimental/Investigative, the Claims Administrator will consider the information described below and assess whether:

- The scientific evidence is conclusory concerning the effect of the service on health outcomes;
- The evidence demonstrates the service improves net health outcomes of the total population for whom the service might be proposed by producing beneficial effects that outweigh any harmful effects;
- The evidence demonstrates the service has been shown to be as beneficial for the total population for whom the service might be proposed as any established alternatives; and
- The evidence demonstrates the service has been shown to improve the net health outcomes of the total population for whom the service might be proposed under the usual conditions of medical practice outside clinical investigatory settings.

The information considered or evaluated by the Claims Administrator to determine whether a Drug, biologic, device, Diagnostic, product, equipment, procedure, treatment, service, or supply is Experimental/Investigative under the above criteria may include one or more items from the following list which is not all inclusive:

- Published authoritative, peer-reviewed medical or scientific literature, or the absence thereof; or
- Evaluations of national medical associations, consensus panels, and other technology evaluation bodies; or
- Documents issued by and/or filed with the FDA or other federal, state or local agency with the authority to approve, regulate, or investigate the use of the Drug, biologic, device, Diagnostic, product, equipment, procedure, treatment, service, or supply; or
- Documents of an IRB or other similar body performing substantially the same function; or
- Consent document(s) and/or the written protocol(s) used by the treating Physicians, other medical professionals, or facilities or by other treating Physicians, other medical professionals or facilities studying substantially the same Drug, biologic, device, Diagnostic, product, equipment, procedure, treatment, service, or supply; or
- Medical records; or
- The opinions of consulting Providers and other experts in the field.

The Claims Administrator has the sole authority and discretion to identify and weigh all information and determine all questions pertaining to whether a Drug, biologic, device, Diagnostic, product, equipment, procedure, treatment, service, or supply is Experimental/Investigative.

31. Freestanding Ambulatory Facility

A facility, with a staff of Physicians, at which surgical procedures are performed on an Outpatient basis-no patients stay overnight. The facility offers continuous service by both Physicians and registered nurses (R.N.s). It must be licensed by the appropriate agency. A Physician's office does not qualify as a Freestanding Ambulatory Facility.

32. Group Health Plan or Plan

An employee welfare benefit plan (as defined in Section 3(1) of ERISA), established by the Employer, in effect as of the Effective Date.

33. Health Plan Document

This Benefit Booklet in conjunction with the Health Plan Document, the application, if any, any amendment or rider, Your Identification Card and Your application for enrollment constitutes the entire Plan. If there is any conflict between either this Benefit Booklet or the Health Plan Document and any amendment or rider, the amendment or rider shall control. If there is any conflict between this Benefit Booklet and the Health Plan Document, the Health Plan Document shall control.

34. Home Health Care

Care, by a licensed program or provider, for the treatment of a patient in the patient's home, consisting of required intermittent skilled care, which may include observation, evaluation, teaching and nursing services consistent with the diagnosis, established and approved in writing by the patient's attending Physician.

35. Home Health Care Agency

A provider who renders care through a program for the treatment of a patient in the patient's home, consisting of required intermittent skilled care, which may include observation, evaluation, teaching and nursing services consistent with the diagnosis, established and approved in writing by the patient's attending Physician. It must be licensed by the appropriate agency.

36. Hospice

A provider which provides care for terminally ill patients and their families, either directly or on a consulting basis with the patient's Physician. It must be licensed by the appropriate agency.

37. Hospice Care Program

A coordinated, interdisciplinary program designed to meet the special physical, psychological, spiritual and social needs of the terminally ill Member and his or her covered family members, by providing palliative and supportive medical, nursing and other services through at-home or Inpatient care. The Hospice must be licensed by the appropriate agency and must be funded as a Hospice as defined by those laws. It must provide a program of treatment for at least two unrelated individuals who have been medically diagnosed as having no reasonable prospect of cure for their illnesses.

38. Hospital

An institution licensed by the appropriate agency, which is primarily engaged in providing diagnostic and therapeutic facilities on an Inpatient basis for the surgical and medical diagnosis, treatment and care of injured and sick persons by or under the supervision of a staff of Physicians duly licensed to practice medicine, and which continuously provides 24-hour-a-day nursing services by registered graduate nurses physically present and on duty. "Hospital" does not mean other than incidentally:

- an extended care facility; nursing home; place for rest; facility for care of the aged;
- a custodial or domiciliary institution which has as its primary purpose the furnishing of food, shelter, training or non-medical personal services; or
- an institution for exceptional or disabled children.

39. Identification Card

The latest card given to You showing Your identification and group numbers, the type of coverage You have and the date coverage became effective.

40. Ineligible Charges

Charges for health care services that are not Covered Services because the services are not Medically Necessary or Precertification was not obtained. Such charges are not eligible for payment.

41. Ineligible Provider

A provider which does not meet the minimum requirements to become a contracted Provider with the Claims Administrator. Services rendered to a Member by such a provider are not eligible for payment.

42. Infertile or Infertility

The condition of a presumably healthy Member who is unable to conceive.

43. Injury

Bodily harm from a non-occupational accident.

44. Inpatient

A Member who is treated as a registered bed patient in a Hospital and for whom a room and board charge is made.

45. Intensive Care Unit

A special unit of a Hospital that: (1) treats patients with serious illnesses or Injuries; (2) can provide special life-saving methods and equipment; (3) admits patients without regard to prognosis; and (4) provides constant observation of patients by a specially trained nursing staff.

46. Late Enrollees

Late Enrollees mean Employees or Dependents who request enrollment in a health benefit plan after the initial open enrollment period. An individual will not be considered a Late Enrollee if: (a) the person enrolls during his/her initial enrollment period under the Plan; (b) the person enrolls during a special enrollment period; or (c) a court orders that coverage be provided for a minor Covered Dependent under a Member's Plan, but only as long as the Member requests enrollment for such Dependent within thirty-one (31) days after the court order is so issued. Late Enrollees are those who declined coverage during the initial open enrollment period and did not submit a certification to the Plan that coverage was declined because other coverage existed.

47. Maternity Care

Obstetrical care received both before and after the delivery of a child or children. It also includes care for miscarriage or abortion. It includes regular nursery care for a newborn infant as long as the mother's Hospital stay is a covered benefit and the newborn infant is an eligible Member under the Plan.

48. Maximum Allowed Amount

The maximum amount that the Plan will allow for Covered Services You receive. For more information, see the “Claims Payment” section.

49. Medical Facility

A facility, including but not limited to, a Hospital, Freestanding Ambulatory Facility, Chemical Dependency Treatment Facility, Skilled Nursing Facility, Home Health Care Agency or mental health facility, as defined in this Benefit booklet. The facility must be licensed, registered or approved by the Joint Commission on Accreditation of Hospitals or meet specific requirements established by the Claims Administrator.

50. Medical Necessity or Medically Necessary

An intervention that is or will be provided for the diagnosis, evaluation and treatment of a condition, illness, disease or injury and that is determined by the Claims Administrator to be:

- Medically appropriate for and consistent with the symptoms and proper diagnosis or treatment of the Member’s condition, illness, disease or injury;
- Obtained from a Provider;
- Provided in accordance with applicable medical and/or professional standards;
- Known to be effective, as proven by scientific evidence, in materially improving health outcomes;
- The most appropriate supply, setting or level of service that can safely be provided to the Member and which cannot be omitted consistent with recognized professional standards of care (which, in the case of hospitalization, also means that safe and adequate care could not be obtained in a less comprehensive setting);
- Cost-effective compared to alternative interventions, including no intervention. Cost effective does not always mean lowest cost. It does mean that as to the diagnosis or treatment of the Member’s illness, injury or disease, the service is: (1) not more costly than an alternative service or sequence of services that is medically appropriate, or (2) the service is performed in the least costly setting that is medically appropriate;
- Not Experimental/Investigative;
- Not primarily for the convenience of the Member, the Member’s family or the Provider.

- Not otherwise subject to an exclusion under this Benefit Booklet.

The fact that a Provider may prescribe, order, recommend, or approve care, treatment, services or supplies does not, of itself, make such care, treatment, services or supplies Medically Necessary or a Covered Service and **does not** guarantee payment.

51. Member

Individuals, including the Subscriber and his/her Dependents, who have satisfied the Plan eligibility requirements of the Employer, applied for coverage, and been enrolled for Plan benefits.

52. Network Provider

A Physician, health professional, Hospital, Pharmacy, or other individual, organization and/or facility that has entered into a contract, either directly or indirectly, with the Claims Administrator to provide Covered Services to Members through negotiated reimbursement arrangements.

53. New Hire

A person who is not employed by the Employer on the original Effective Date of the Plan.

54. Non-Covered Services

Services that are not benefits specifically provided under the Plan, are excluded by the Plan, are provided by an Ineligible Provider, or are otherwise not eligible to be Covered Services, whether or not they are Medically Necessary.

55. Out-of-Network Provider

A Provider, including but not limited to, a Hospital, Freestanding Ambulatory Facility (Surgical Center), Physician, Skilled Nursing Facility, Hospice, Home Health Care Agency, other medical practitioner or provider of medical services or supplies, that does not have an agreement or contract with the Claims Administrator to provide services to its Members at the time services are rendered.

Benefit payments and other provisions of this Plan are limited when a Member uses the services of Out-of-Network Providers.

56. Out-of-Pocket Maximum

The maximum amount of a Member's Coinsurance payments during a given calendar Plan year. When the Out-of-Pocket Maximum is reached, the level of benefits is increased to 100% of the Maximum Allowed Amount for Covered Services.

57. Physician

Any licensed Doctor of Medicine (M.D.) legally entitled to practice medicine and perform surgery, any licensed Doctor of Osteopathy (D.O.) legally licensed to perform the duties of a D.O., any licensed Doctor of Podiatric Medicine (D.P.M.) legally entitled to practice podiatry, and any licensed Doctor of Dental Surgery (D.D.S.) legally entitled to perform oral surgery; Optometrists and Clinical Psychologists (PhD) are also Providers when acting within the scope of their licenses, and when rendering services covered under this Plan.

58. Primary Care Physician

A provider who specializes in family practice, general practice, internal medicine, pediatrics, obstetrics/gynecology, geriatrics or any other provider as allowed by the Plan. A PCP supervises, coordinates and provides initial care and basic medical services to a Member and is responsible for ongoing patient care.

59. QMCSO, or MCSO – Qualified Medical Child Support Order or Medical Child Support Order

A QMCSO creates or recognizes the right of a child who is recognized under the order as having a right to be enrolled under the health benefit plan to receive benefits for which the Employee is entitled under the plan; and includes the name and last known address of the Employee and each such child, a reasonable description of the type of coverage to be provided by the plan, the period for which coverage must be provided and each plan to which the order applies.

An MCSO is any court judgment, decree or order (including a court's approval of a domestic relations settlement agreement) that:

- provides for child support payment related to health benefits with respect to the child of a group health plan Member or requires health benefit coverage of such child in such plan, and is ordered under state domestic relations law; or
- enforces a state law relating to medical child support payment with respect to a group health plan.

60. Retail Health Clinic

A facility that provides limited basic medical care services to Members on a “walk-in” basis. These clinics normally operate in major pharmacies or retail stores. Medical services are typically provided by Physicians Assistants and Nurse Practitioners.

61. Semiprivate Room

A Hospital room which contains two or more beds.

62. Skilled Convalescent Care

Care required, while recovering from an illness or Injury, which is received in a Skilled Nursing Facility. This care requires a level of care or services less than that in a Hospital, but more than could be given at the patient’s home or in a nursing home not certified as a Skilled Nursing Facility.

63. Skilled Nursing Facility

An institution operated alone or with a Hospital which gives care after a Member leaves the Hospital for a condition requiring more care than can be rendered at home. It must be licensed by the appropriate agency and accredited by the Joint Commission on Accreditation of Health Care Organizations or the Bureau of Hospitals of the American Osteopathic Association, or otherwise determined by the Claims Administrator to meet the reasonable standards applied by any of the aforesaid authorities.

64. Spouse

For the purpose of this Plan, a Spouse is defined as a person who is legally married to the employee and who is recognized as the spouse under federal law.

65. Therapeutic Equivalent

Therapeutic/Clinically Equivalent drugs are drugs that can be expected to produce similar therapeutic outcomes for a disease or condition.

66. Transplant Providers

Network Transplant Provider - A Provider that has been designated as a “Center of Excellence” for Transplants by the Claims Administrator and/or a Provider selected to participate as a Network Transplant Provider by a designee of the Claims Administrator. Such Provider has entered into a transplant provider agreement to render Covered Transplant Procedures and certain administrative functions to You for the transplant network. A Provider may be a Network Transplant Provider with respect to:

- certain Covered Transplant Procedures; or

- all Covered Transplant Procedures.

Out-of-Network Transplant Provider - Any Provider that has NOT been designated as a “Center of Excellence” for Transplants by the Claims Administrator nor has not been selected to participate as a Network Transplant Provider by a designee of the Claims Administrator.

67. Urgent Care

Services received for a sudden, serious, or unexpected illness, Injury or condition. Urgent Care is not considered an emergency. Care is needed right away to relieve pain, find out what is wrong, or treat a health problem that is not life-threatening.

68. Utilization Review

A function performed by the Claims Administrator or by an organization or entity selected by the Claims Administrator to review and approve whether the services provided are Medically Necessary, including but not limited to, whether acute hospitalization, length of stay, Outpatient care or diagnostic services are appropriate.

69. You and Your

Refer to the Subscriber, Member and each Covered Dependent.

f) Health Benefits Under Federal Law

1. Choice of Primary Care Physician

The Plan generally allows the designation of a Primary Care Physician (PCP). You have the right to designate any PCP who participates in the Claims Administrator’s Network and who is available to accept You or Your family members. For information on how to select a PCP, and for a list of PCPs, contact the telephone number on the back of Your Identification card or refer to the Claims Administrator’s website, www.anthem.com. For children, You may designate a pediatrician as the PCP.

2. Access to Obstetrical and Gynecological (ObGyn) Care

You do not need Prior Authorization from the Plan or from any other person (including a PCP) in order to obtain access to obstetrical or gynecological care from a health care professional in the Claims Administrator’s network who specializes in obstetrics or gynecology. The health care professional, however, may be required to comply with certain procedures, including obtaining Prior Authorization for certain services or following a pre-approved treatment plan, or procedures for making referrals. For a list of participating health care professionals who specialize in

obstetrics or gynecology, contact the telephone number on the back of Your Identification Card or refer to the Claims Administrator's website, www.anthem.com.

3. Statement of Rights Under the Newborns' and Mother's Health Protection Act

Group health plans and health insurance issuers generally may not, under Federal law, restrict benefits for any Hospital length of stay in connection with childbirth for the mother or newborn child to less than 48 hours following a vaginal delivery, or less than 96 hours following a cesarean section. However, Federal law generally does not prohibit the mother's or newborn's attending provider (e.g., Your Physician, nurse midwife, or Physician assistant), after consulting with the mother, from discharging the mother or her newborn earlier than 48 hours (or 96 hours as applicable). In any case, plans and issuers may not, under Federal law, require that a provider obtain authorization from the Plan or the insurance issuer for prescribing a length of stay not in excess of 48 hours (or 96 hours). However, to use certain providers or facilities, or to reduce Your out-of-pocket costs, You may be required to obtain Precertification. For information on Precertification, contact Your Plan Administrator.

Also, under federal law, plans may not set the level of benefits or out-of-pocket costs so that any later portion of the 48 hour (or 96 hour) stay is treated in a manner less favorable to the mother or newborn than any earlier portion of the stay.

Statement of Rights Under the Women's Cancer Rights Act of 1998

If You have had or are going to have a mastectomy, You may be entitled to certain benefits under the Women's Health and Cancer Rights Act of 1998 (WHCRA). For individuals receiving mastectomy-related benefits, coverage will be provided in a manner determined in consultation with the attending Physician and the patient, for:

- All stages of reconstruction of the breast on which the mastectomy was performed;
- Surgery and reconstruction of the other breast to produce a symmetrical appearance;
- Prostheses; and
- Treatment of physical complications of the mastectomy, including lymphedema.

These benefits will be provided subject to the same Deductibles and Coinsurance applicable to other medical and surgical benefits provided under this Plan. **See the Schedule of Benefits.**

If You would like more information on WHCRA benefits, call Your Plan Administrator.

4. Mental Health Parity and Addiction Equity Act

The Mental Health Parity and Addiction Equity Act provides for parity in the application of aggregate treatment limitations (day or visit limits) on mental health and substance abuse benefits with day/visit limits on medical/surgical benefits. In general, group health plans offering mental health and substance abuse benefits cannot set day/visit limits on mental health or substance abuse benefits that are lower than any such day/visit limits for medical and surgical benefits. A plan that does not impose day/visit limits on medical and surgical benefits may not impose such day/visit limits on mental health and substance abuse benefits offered under the Plan. Also, the Plan may not impose Deductibles, Copayment/Coinsurance and out of pocket expenses on mental health and substance abuse benefits that are more restrictive than Deductibles, Copayment/Coinsurance and out of pocket expenses applicable to other medical and surgical benefits.

SECTION 2 Employee Contributions for Health Care (Anthem PPO and Keystone HMO)

	Weekly Contributions
Employee Only	\$16
Employee Plus One	\$24
Family	\$36

New contributions are effective 10/2/2017

Contributions will be taken on a pre-tax basis. This requires employees to follow the IRS Section 125 rules which include enrolling for coverage for themselves and their dependents within 31 days of their eligibility date. If you do not enroll timely you must wait until the next Annual Enrollment Period.

(a) Wellness Incentives

The Health for Life Wellness program is the cornerstone for promoting and achieving a culture of health among the Mack organization and incorporates the following features.

(a) A contribution credit of \$6 (\$8 effective 10/2/2017) per week will reduce the members required health care contribution upon the attainment of all of the following:

1. Completion of annual Health Risk Assessment (HRA)
2. Completion of an annual biometric screening that measures blood pressure, cholesterol, glucose and Body Mass Index (BMI), and

3. Annual written attestation that you do not use tobacco or the timely completion of a tobacco cessation program.
- (b) HRA and biometric screenings will be performed on-site.
- (c) For employees to receive the contribution credit the current calendar year they must meet the wellness criteria described above during the prescribed time in the previous calendar year.
- (d) Annual cash incentives of up to \$150 can be earned by meeting the following screen criteria:
 1. Blood pressure less than or equal to 130/85,
 2. Total cholesterol less than or equal to 200, and
 3. BMI less than or equal to 27.5 or BMI reduced by 1 full point from prior year.

For each criterion that is achieved, the employee will receive a \$50 cash payment in their paycheck in the late fall.

SECTION 3 PPO Prescription Drug Coverage

You and your eligible dependents can receive benefits through the Prescription Drug Card Program administered by Medco/Express Scripts. If you have questions you may call Medco/Express Scripts Member Services 24 hours a day, seven day a week at **1-866-467-1239** or you may visit the Medco/Express Scripts website at **www.medco.com**.

(a) How the Program Works – Retail Pharmacies

After you enroll for health coverage, you'll receive a Medco identification card. When you present the card at a participating pharmacy, you can receive up to a 34-day supply of medication. To find the closest participating pharmacies near you, call the toll free number or visit the Medco website. Your participating pharmacist will give you generic drugs when they are available – unless your doctor indicates that the prescription must be filled with brand name drugs.

Effective August 1, 2013, you pay the following prescription drug copay for each retail prescriptions:

- \$10 for each generic drug prescription,
- \$30 for each brand name drug prescription, and
- \$45 for each Targeted Brand drug.

The Targeted Brands are: Aciphex, Allegra, Allegra-D, Clarinex, Clarinex-D, Nexium, Prevacid, Prilosec, Protonix, Zyrtec, Zyrtec-D, Xyzal, and Zegerid. If the doctor specifies the use of a targeted drug, you pay \$30.00 for that brand name drug.

The following over-the-counter medications will be provided with a co-pay of \$10 for a thirty day supply (mail order is not available): Prilosec OTC, Zantac, Claritin, Zyrtec. A physician's prescription order is required to receive this benefit.

If you have your prescription filled at a non-participating pharmacy, you can still receive plan benefits. However, you'll have to pay for the prescription at the time it's filled and then file a claim with Medco/Express Scripts. Claim forms are available from the HR Service Center or online at www.medco.com.

(b) Mail Order Drug Program

In addition to the Prescription Drug Card Program, you also can receive prescription drug benefits through the Mail Order Drug Program. Administered by Medco/Express Scripts, this program is designed to save you money by helping you pay for drugs used to treat chronic conditions such as hypertension or diabetes.

Under the program, you can order up to a 90-day supply of prescription drugs. And, medications are delivered right to your home, postage-paid. Like the Prescription Drug Card Program, the pharmacist will give you generic drugs when they are available – unless your doctor indicates that the prescription must be filled with brand name drugs.

Effective August 1, 2013, a co-payment equal to 2 times the amount described for a one month supply paid by the member is applicable for each separate prescription order and refill. This equals \$20 for generic drugs and \$60 for brand drugs. Effective July 1, 2010, the co-pay for mail service of up to a 90 day supply of any Targeted Brand will be \$67.50.

Here is all you have to do when ordering maintenance drugs through the Mail Order Drug Program:

- When you need maintenance drugs, have your doctor give you a prescription for up to a 90-day supply plus refills up to one year (as appropriate). (If you must start taking the drug right away, also get a separate prescription for a 14-day supply, which you can fill at a participating pharmacy).
- Mail in your prescription. When you send your prescription, be sure to include the order form and payment in the provided envelope. You may also ask your doctor to fax your prescription by calling 1-888-327-9791 for further instruction.

- Your order will be filled and delivered through the mail within eight days of receipt, along with re-order instructions and pre-addressed envelope for future prescriptions and refills.
- When you need refills, simply complete and mail your refill notice to the Mail Order Drug Program in the pre-addressed envelope, or call 1-866-467-1239 or go online to www.medco.com, and follow the instructions for refilling your prescription.

(c) Specialty Medications

Specialty medications are drugs that are used to treat complex conditions, such as cancer, hemophilia, hepatitis C, immune deficiency, multiple sclerosis and rheumatoid arthritis. Whether they're administered by a health care professional, self-injected or taken by mouth, specialty medications require an enhanced level of service.

Mack recommends that specialty pharmacy medications be accessed through Accredo Health Group, Medco's specialty mail order pharmacy, and not be purchased through retail pharmacies. Accredo's specialty mail pharmacy has enhanced services to monitor your care for these complex conditions. If you are not sure whether you are taking a specialty medication you can contact Medco/Express Scripts Customer Service at 1-866-467-1239 or go to www.medco.com for more information regarding your prescriptions. You may also go online to www.accredo.com to receive more information about Accredo.

(d) Compound Drugs

For compound drugs to be covered under the Plan, they must satisfy certain requirements. In addition to being medically necessary and not experimental or investigative, compound drugs must not contain any ingredient on a list of excluded ingredients. Furthermore, the cost of the compound must be determined by Express Scripts to be reasonable (e.g. if the cost of any ingredient has increased more than 5% every other week or more than 10% annually, the cost will not be considered reasonable). Any denial of coverage for a compound drug may be appealed in the same manner as any other drug claim denial under the Plan.

(e) Cholesterol Care Value Program

Express-Scripts' Cholesterol Care Value Program (CCV) will help ensure members have appropriate access to a new and extremely costly class of anticholesterol medications, called PCSK9 inhibitors. These new self-injectable medications are priced significantly higher than the more cost-effective traditional cholesterol-lowering statins (Crestor and Lipitor). With the CCV program, the new PCSK9

inhibitors will require Prior Authorization to ensure appropriate use. To ensure members understand the potential side-effects and how to inject these medications, the PCSK9s can only be obtained from Express Scripts' Specialty Pharmacy, Accredo, where nurses and specialist pharmacists will be available to provide individualized care and coaching.

(f) Definitions

1. *Brand name drug* means the trade name under which a drug is advertised and sold.
2. *Compound drug* as defined by the U.S. Food and Drug Administration (FDA) is a medication that requires a licensed pharmacist to combine, mix or alter the ingredients of a medication when filling a prescription. The FDA does not verify the quality, safety and/or effectiveness of compound medications.
3. *Copayment* means the amount to be paid by the member for each separate prescription order or refill of a covered drug.
4. *Covered drug* means injectable insulin or any prescription legend drug that is dispensed according to a prescription order provided that:
 - The drug is medically necessary,
 - The amount of the prescription charge exceeds the copayment,
 - The drug is not included or includible in the cost of other services or supplies provided to the member, and
 - The drug is not entirely consumed at the time and place of the prescription order.
5. *Generic name drug* means the chemical name of the a drug that the FDA approved as therapeutically equivalent to a brand name drug.
6. *Member* means either the covered employee under this program or any of the employee's eligible dependents.
7. *Non-Participating Provider* means any provider of pharmaceutical services that has not entered into a participating contract with Medco/Express Scripts.
8. *Participating Provider* means any pharmacy or organization legally licensed to dispense drugs which has entered into an agreement with Medco/Express Scripts. The participating provider will charge the member the co-payment amount.
9. *Pharmacy* means a licensed establishment where prescription drugs are dispensed by a licensed pharmacist.
10. *Prescription Legend Drug* means any medicinal substance – the label of which under the FDA, is required to bear the legend: "Caution: Federal Law prohibits dispensing without a prescription" and includes compounded medication containing at least one prescription legend drug.

11. *Prescription Order* means the request for medication by a physician or dentist.

(g) Prior Authorization

The following drug categories require your physician to obtain prior authorization through Medco/Express Scripts.

1. Androgens and anabolic steroids
2. Anorexiant
3. Anti-narcoleptice agents (Nuvigil, Provigil)
4. Cosmetic drugs (Botulinum)
5. Dermatologicals for age 36 and older (Retin A)
6. Dermatologicals /Misc (Penlac Solution)
7. Erectile Dysfunction agents

(h) Quantity/Dose Duration

4. Anti-Emetics
5. Anti-Fungal Agents
6. Erectile Dysfunction Agents
7. Hypnotic Agents
8. Migraine Therapy (Milligram based)

(i) Exclusions

Your Prescription Card and Mail Order Drug programs do not cover the following:

1. Drugs determined to be investigational or experimental by the FDA (Federal Drug Administration),
2. Non-Federal Legend Drugs (not approved by FDA), Federal Legend Non-Drugs (Over the counter medications (OTC) that don't require a prescription), and Non-Federal Legend Non-Drugs (vitamins, supplements and topical agents that do not require a prescription).
3. Glucowatch Products (diabetic wrist watch),
4. Insulin pump supplies,
5. Emergency contraceptive products through mail order,
6. Implant products obtained by mail order,
7. Nutritional supplements and combo nutritional products,
8. Relenza/Tamiflu products obtained through mail order
9. Drugs to treat impotency for males under age 18
10. Ostomy supplies
11. Dental fluoride products

12. Certain injectable medications that are not covered through Specialty Pharmacy and are usually not self-injectable (injectable provided in an outpatient or physician setting)
13. Cosmetic medications like Renova,
14. Biologicals, immunizations, vaccines, allergy serum, blood parts (except specialty products),
15. Charges for therapeutic devices or appliances, support garments, or other non-medical substances.
16. Prescriptions that you're entitled to receive without charge from any local, state or federal programs, including Worker's Compensation, and
17. Prescriptions refilled in excess of the number specified by the physician, or for any refill dispensed after one year from the initial prescription.
18. The charge for more than a 34-day supply of medication, except those covered up to 90 day through Mail Order.

SECTION 4 Managed Behavioral Health

The Managed Behavioral Health Plan includes mental health and substance abuse treatment benefits. The behavioral health benefit included for this plan is provided by Integrated Behavioral Health (IBH). This plan is compliant with the Mental Health Parity and Equity Act of 2008 (MHPAE) and Interim Final Rules (IFR) of 2010.

(a) Plan features include

1. Enhanced mental health benefits available when network providers are used.
2. National network of quality providers and facilities that have been selected and credentialed by IBH.
3. Elimination of need for patient submission of claim forms when network providers are used.
4. Network providers accept the plan payment as payment in full after the applicable copayment or deductible.
5. All mental health services subject to medical necessity and appropriateness of care.
6. Some services require prior authorization, call IBH for care coordination.
7. If treatment is needed call 800-395-1616 and IBH will provide referrals, case management, care coordination, and benefit questions for your behavioral health plan.

To assure your behavioral health services will be covered it is recommended that you obtain prior authorization by an IBH care manager at **800-395-1616**. Services not pre-authorized by IBH are subject to retrospective review before payment determination. Without pre-authorization, your claims will be subject to a

retrospective review and in some instances may not be covered. Certain services are still required to be pre-authorized, contact IBH with any questions. Your provider may be required to submit a treatment plan and documentation to establish medical necessity and appropriateness of care.

Pre-authorization of all behavioral health services including initial outpatient care with a psychiatrist, psychologist or therapist is highly recommended. Pre-authorization of behavioral health services will insure medical necessity criteria are met and retrospective review will be limited. All care is subject to eligibility, plan definitions, limitations, exclusions, and are payable when determined by IBH as medically necessary and appropriate. Expenses determined not clinically necessary will not be covered.

(b) Inpatient Mental Health Benefits

To find an in-network facility, contact Integrated Behavioral Health at **800-395-1616**. The benefit may allow you to choose services through an out-of-network facility, but you may have to pay a larger portion of the costs, and subject to prior authorization and concurrent review.

Pre-authorization is required for all inpatient, partial hospitalization, residential, and intensive outpatient care. You or your provider may call an IBH care manager at **800-395-1616** to obtain pre-authorization prior to starting any intensive treatment program.

(c) Outpatient Mental Health Benefits

All outpatient care beyond the initial 8 visits per year, or falling within additional outlier categories, requires the provider to submit a treatment plan for review of medical necessity, appropriateness of care, and pre-authorization of continued care.

The following outpatient evaluations or treatments require authorization before commencing:

1. Psychological testing
2. Group therapy
3. Outpatient ECT
4. Or any service other than the initial 8 sessions with a licensed psychologist, licensed therapist or licensed psychiatrist.

The benefit may allow you to choose services through either an IBH network provider or a non-network provider. Non-network providers must be

independently licensed and must follow plan requirements of submitting documentation of medically necessary care. Call IBH to determine if a non-network provider is eligible for coverage under your plan.

While there are no treatment visit or hospital day limits in the benefit plan, all claims for treatment (including those delivered before any pre-authorization) are subject to review for medical necessity and appropriateness of care by IBH.

All claims are subject to benefit eligibility as well as plan exclusions and limitations at time of service.

(d) Your Managed Behavioral Health Benefits Schedule

MENTAL HEALTH	IBH Network	Non-Network
Inpatient	100% of IBH allowable	70% of IBH allowable
Outpatient	\$10.00 co-pay	70% of IBH allowable
CHEMICAL DEPENDENCY	IBH Network	Non-Network
Inpatient	100% of IBH allowable	70% of IBH allowable
Outpatient	\$10.00 co-pay	70% of IBH allowable

Claim Note:

- All inpatient services require Pre-Certification.
- Some outpatient services require Pre-Certification.
- Medical remains responsible payer for Behavioral Health services for inpatients admitted under medical diagnoses.
- Retro review for non- network providers

(e) Services Not Included in the Managed Behavioral Health Plan

1. Services performed by the patient on him/herself or performed by immediate family, including but not limited to a spouse, child, brother, sister, parent, or the spouse's parent, even if that individual is a qualified provider.
2. Services provided by someone not licensed by the state to treat the condition for which the claim is made and to independently bill fee for service and/or not trained or experienced to treat a specific condition under review.
3. Extended hospital stays that are unrelated to medically necessary and approved treatment.
4. Services furnished by or for the U.S. government, Federal and state funded agency or foreign government, unless payment is legally required.
5. Treatment that is of an experimental or educational nature. Procedures which are experimental, investigational, or unproven. Therapies and technologies whose long-term efficacy or effect is undetermined or unproven whose efficacy is no greater than that of traditionally accepted standard treatment.
6. Services applied under any government program or law under which the individual is covered.
7. Services for which a third-party is liable.
8. New procedures, services, and medication until they are reviewed for safety, efficacy, and cost effectiveness.
9. Alternative treatment methods that do not meet national standards for behavioral health practice, including but not limited to: regressive therapy, aversion therapy, neurofeedback or neuro-biofeedback, hypnotherapy, acupuncture, acupressure, aromatherapy, massage therapy, reiki, thought-field energy, art or dance therapy.

10. Services that are primarily to assess or address remedial educational disorders, including but not limited to: materials, devices and equipment to diagnose or treat learning disabilities.
11. Non-psychiatric therapy or education for autism, mental retardation, learning disabilities/disorders or developmental disorders, including social skills training.
12. Custodial care or supportive counseling, including care for conditions not typically resolved by treatment.
13. Services not medically necessary. All services must be medically necessary. The fact that a physician or other provider may prescribe order, recommended, or approve a service or supply does not, in itself, make it medically necessary, even though it is not specifically listed as an exclusion or limitation.
14. Court-ordered treatment, unless determined to be medically necessary and appropriate.
15. Psychological or neuropsychological testing, unless specifically pre-certified by IBH.
16. Inpatient treatment for co-dependency, gambling and sexual addiction.
17. Treatment primarily for chronic pain management or neuropsychological rehabilitation.
18. Treatment primarily for the convenience of the patient or provider.
19. Treatment provided primarily for medical or other research.
20. Charges for services, supplies or treatments which are primarily educational in nature; charges for services for educational or vocational testing or training and work hardening programs regardless of diagnosis or symptoms; charges for self-help training or other forms of non-medical self-care.
21. Charges primarily for marriage, career, or legal counseling.
22. Biofeedback, unless pre-approved by IBH.
23. Services provided if covered individual would not legally have to pay for them if the covered individual were not covered by the Plan or any other medical Plan, to the extent that exclusion of charges for such services is not prohibited by law or regulation.
24. Assessment or treatment secondary to sex change procedures.

25. Evaluation or services not required for health reasons, including but not limited to employment, insurance or government licenses, and court ordered, forensic, or custodial evaluations.
26. Treatment of sexual dysfunction not related to organic disease. Sex therapy.
27. Telephone consultations, charges for failure to keep a scheduled visit, charges for completion of a claim form, charges for obtaining medical records or completing a treatment report, and late payment charges.
28. Methadone maintenance.
29. Speech and language evaluations or speech therapy.
30. Therapy or treatment intended primarily to improve or maintain general physical condition or for the purpose of enhancing job, school, athletic or recreational performance.
31. Telephone, email and internet consultations in the absence of a specific benefit.
32. Expenses for pastoral counseling, marriage therapy, music or art therapy, assertiveness training, social skills training, recreational therapy, stress management, or other supportive therapies.
33. Long-term treatment at a residential treatment facility, or long term rehabilitation therapy unless authorized by IBH.
34. Smoking cessation programs not covered under the medical plan.
35. Therapeutic foster care, group home, half-way or three-quarter houses, residential/therapeutic schools, camps.
36. Any treatment or condition excluded by the medical plan

(f) How Managed Behavioral Health Plan Claims Are Paid

Network services require no claim forms. IBH will pay your provider directly. You are responsible for paying coinsurance, copay, or deductible that may apply.

If you use a **non-network provider**, either you or the provider must submit a claim form and you are responsible for paying the balance of the provider's outpatient or inpatient mental health or substance abuse charges, after the IBH payment of the non-network benefit based on the IBH allowable rate. The IBH allowable rate is the rate for the IBH

fee schedule for specific network services. Remember if you use non-network providers, your financial responsibility, ***the amount you pay***, for ***non-network*** mental health or substance abuse care ***is higher*** and is based on the IBH allowable rate. Claims may be mailed to:

Integrated Behavioral Health
Claims Department
P.O. 30018
Laguna Niguel, CA 92607-0018

SECTION 5 Dental Benefits Program

The Mack UAW Dental Expense Benefit Program will be administered by United Concord Companies, Inc. (UCCI) for all UAW members who are employed by the Company and their covered dependents effective January 1, 2014.

Employees and their covered dependents who are currently enrolled in the dental program administered by CIGNA will have no change in their benefits. UCCI will pay non-participating dentists at the 90th percentile to maintain the reimbursements to these dentists.

The Dental Expense Benefits Program, as in effect June 1, 2009, as amended below will continue to be provided at Company expense with the following specifications:

(a) Payment of Benefits

Benefits will be provided for eligible, necessary dental services when billed by the licensed dentist in charge of the case.

Pre-authorization is routinely required for cases requiring \$125 or more in benefits, including Space maintainers, Inlays, Crowns, Prosthetics, Periodontics and Orthodontics.

For services covered under the Preventive Program, the Restorative Program, and the Prosthetic Rider, the maximum amount payable by the Plan in any one calendar year shall be ~~\$1,750 per member for services rendered on or after June 1, 2009; \$1,800 per member effective for services rendered January 1, 2010; and \$1,850~~ **\$1,950** per member for services rendered on or after January 1, **2020**. The maximum payable under the Orthodontic Rider is outlined in Section 5(e).

(b) Preventive Services - 100%

1. Oral examinations
2. X-rays of the teeth
3. Topical fluoride application for member under age 19
4. Cleaning, scaling and polishing of teeth
5. One lifetime application of tooth sealant on permanent posterior molars for dependent child age 14 or younger.
6. **Brush Biopsy – Effective January 1, 2017**

(c) Restorative Program – 90%

1. Repair of broken dentures
2. Palliative emergency treatment of conditions causing dental pain
3. Fillings consisting of silver amalgam and synthetic tooth color restorations
4. Simple extractions
5. Endodontic (treatment of the tooth's nerve)
6. Consultation
7. Space maintainers (not made of precious metals)
8. General Anesthesia administered in a Dentist's office
9. Oral Examinations performed to determine the need for and, if required, to plan a course of orthodontic treatment (includes study models and diagnostic x-rays)
10. Inlays and Crowns (Not part of a bridge. No payment will be made for precious metal restorations unless the tooth cannot be restored with another material)
11. Oral Surgery – including fracture treatment, cyst removal and surgical extractions. (Out-of-hospital only)
12. Apicoectomy – dental root resection
13. Periodontics:
14. Examination of gums and underlying bone
15. Treatment of gums
16. Gum surgery to remove infection and reshaping of the gums to prevent future problems
17. Bone surgery

(d) Prosthetic Rider - 50%

1. Full or Partial dentures

2. Removable bridges (fixed bridges only when the replacement cannot be made by other methods)
3. All necessary abutment work
4. Relining of dentures as necessary

(e) Orthodontic Rider - 50%

Active treatment, including initial installation of necessary appliances.

Maximum: \$2,000 effective January 1, 2020

Orthodontic benefits will be available for members under age 19, and for handicapping malocclusion only. Orthodontic Benefits will be continued beyond age 19 for a patient who is receiving orthodontic services upon the attainment of age 19 until the earlier of (1) completion of the current treatment plan or, (2) exhaustion of the maximum life-time orthodontic benefit.

(f) Accidental Injury to Sound Teeth

Accident related procedures are not subject to the annual program dollar maximum. A separate per calendar year benefit of \$1,950 effective January 1, 2020, will apply subject to subrogation provisions. Benefits will not be tied to the accident date but to the eligibility for the type of service reported when provided. The dental office is responsible for reporting when accident related.

(g) Exclusions

1. Services received from a dental or medical department maintained by or on behalf of any employer, a mutual benefit association, labor union, trustee or similar person or group.
2. Services for which the member incurs no charge.
3. Services for any occupational condition, ailment or injury arising out of and in the course of covered employment under Worker's Compensation or Occupational Disease Laws, Federal Employers' Liability Acts, or other similar State or Federal Employers' Liability Acts, or other similar State or Federal legislation; or provided by the United States Veterans Administration; or provided without cost to the member by any federal, state, county, or municipal hospital, agency or instrumentality.
4. Services with respect to congenital malformations or primarily for cosmetic or esthetic purposes.
5. Services, the cost of which has been or is later recovered in any action at law or in compromise or settlement of any claim.

6. Services or supplies provided by any governmental body or instrumentality, whether federal, state or local, pursuant to any program under which any periodic payment of premiums, rate, enrollment fee or other similar charge is made by or for the member.
7. Appliances or restorations used solely to increase vertical dimensions.
8. Charges for services to the extent that such charges exceed the charge that would have been made and actually collected if no coverage existed hereunder.
9. Services in a hospital performed by a dentist who in any case is compensated by the hospital for similar services when performed for patients.
10. Local anesthesia when billed for separately by the dentist.
11. Gold foil restorations.
12. Complete mouth X-rays are limited to not more than once in any five year period, unless special need is shown.
13. Oral examinations, periapical and bitewing X-rays, fluoride applications, and prophylaxis services are limited to not more than twice each calendar year.
14. In all cases involving covered services in which the dentist and patient select a more expensive course of treatment than is customarily provided by the Dental Profession, consistent with sound professional standards of dental practice for the dental condition concerned, the Plan will pay the fee allowed for the lesser procedure. The dentist may charge the patient the difference for any amount over that for which the Plan is liable.
15. In the event a member transfers from the care of one dentist to that of another dentist during the course of treatment, or if more than one dentist performs services for one dental procedure, the Plan shall be liable for not more than the amount it would have been liable for had but one dentist performed the service.
16. Services other than those specifically covered herein.
17. Unusual procedures and techniques.
18. In the event any services to which a member is entitled under this program are also covered under any other health benefit plan, the Plan reserves the right to take into account the services provided or paid for under such plan in its determination of amounts payable for services under this program.
19. Any denture or bridge replacement made less than 5 years after a denture or bridge placement or replacement which was covered under this Agreement.
20. Authorized benefits for a bridge or denture completed within 60 days after termination under this Agreement are the only benefits available after such termination.
21. Charges for an appliance, or modification of one, for which an impression was made before the member became covered under the Plan.

22. Charges for a crown, bridge, or gold restoration for which the tooth was prepared before the member became covered under the Plan.
23. Charges for root canal therapy if the pulp chamber was opened before the member became covered under the Plan.
24. Charges for orthodontic procedures for which appliances were installed before the patient was covered by the Mack Dental Plan.

(h) Definitions

1. “*Dentist*” means a doctor of dental surgery (D.D.S.) or medical dentistry (D.M.D.) whose scope of practice is the diagnosis, prevention and treatment of diseases of the teeth and related structures.
2. “*Member*” means either the covered person under this Program or any of the covered person's eligible dependents.
3. “*Plan*” means the Company or a third party which enters into an agreement to provide the benefits stipulated under this Program.

(i) How to File a Claim

Most dental providers will file your dental claim for you and your dependents. You need to provide your UCCI Identification Card (ID) to your provider. If your provider will not file your claim, you will need to obtain a claim form from your local Human Resources office or the HR Service Center.

When you complete your claim form, please return to the Claims Administrator address on your ID Card. If your provider does not fill out the appropriate section on the form, please submit an itemize bill which contains the following:

- Patient's name
- Employee name
- Date of service
- Type of service performed
- Amount of charge
- Name, address, phone number and tax identification number of provider.

Using a network provider (UCCI) will ensure you the most comprehensive reimbursement for your claim.

(j) Recovery of Overpayments

The Claims Administrator has the right to recover overpayments and payments made for benefits that were covered by another group health plan, governmental program or a statutory plan such as Workers' Compensation or automobile no-fault. If payment has

been made, but is determined to have been paid erroneously, the Claims Administrator may recover these payments from the party who received the erroneous payment.

(k) Subrogation

If you have expenses for dental services that resulted from the negligence or wrong doing of a third party, and you reach a settlement or a judgment, the Claims Administrator may recover any benefits paid by this Plan.

(l) When coverage ends

- Dental coverage will end on the earliest of the following dates:
- The date the Dental Plan is terminated,
- The last day of the month that your employment terminates.,
- The date you no longer belong to a class of employees eligible for the coverage,
- The date you or your enrolled dependents are no longer eligible for coverage, and
- When your COBRA coverage continuation ends.

SECTION 6 Vision Benefits Program

The Vision Expense Benefits Program as in effect January 1, 2017, as amended below, will continue to be provided at Company expense with the following specifications:

Coverage for vision care benefits will apply to all eligible employees and their eligible dependents. Coordination of benefits will apply.

(a) Covered Expenses

Your Blue View Vision Network

Blue View Vision offers you one of the largest vision care networks in the industry, with a wide selection of experienced ophthalmologists, optometrists, and opticians. Blue View Vision's network also includes convenient retail locations, many with evening and weekend hours, including LensCrafters, Sears Optical, Target Optical, JCPenney Optical and most Pearle Vision locations. Best of all – when you receive care from a Blue View Vision participating provider, you can maximize your benefits and money-saving discounts.

Out-of-network: If you choose to, you may receive covered benefits outside of the Blue View Vision network. Just pay in full at the time of service, obtain an itemized

receipt, and file a claim for reimbursement of your out-of-network allowance. In-network benefits and discounts will not apply.

	IN-NETWORK	OUT-OF-NETWORK
Routine eye exam Once per calendar year	\$0 copay	\$75 Allowance
Eyeglass frames One pair every two calendar years	\$110 allowance, 20% off any remaining balance	\$60 Allowance
Eyeglass lenses One pair every calendar year in standard plastic with choice of the following options:		
Single vision lenses	\$0 copay	\$40 Allowance
Bifocal lenses	\$0 copay	\$50 Allowance
Trifocal lenses	\$0 copay	\$60 Allowance
Lenticular lenses	\$0 copay	\$75 Allowance
Eyeglass lens enhancements When obtaining covered eyewear from a Blue View Vision provider, members may choose to add any of the following lens enhancements at no extra cost.		
Transitions Lenses (for a child under age 19)	\$0 copay	No allowance on lens
Standard Polycarbonate (for a child under age 19)	\$0 copay	enhancements when
Factory scratch coating	\$0 copay	obtained out-of-network
Contact lenses Once every calendar year instead of eyeglass lenses		
Elective Conventional lenses; or	\$130 allowance; 15% of any remaining balance	\$130 Allowance
Elective Disposable Lenses; or	\$130 allowance; (no additional discount)	\$130 Allowance
Non-Elective Contact Lenses	Covered in full	\$130 Allowance
Contact lenses fit and follow-up Available once a comprehensive eye exam has been completed		
Standard contact lens fitting	\$0	\$35 Allowance
Premium contact lens fitting	10% off retail price then apply \$55 allowance	\$35 Allowance

ADDITIONAL SAVINGS AVAILABLE FROM IN-NETWORK PROVIDERS		In-network Member Cost (after any applicable copay)
Retinal Imaging		Not more than \$39
Eyeglass lens upgrades		
When obtaining eyewear from a Blue View Vision provider, members may choose to upgrade their new eyeglass lenses at a discounted cost. Eyeglass lens copayment applies	Transition lenses (Adults)	\$75
	Standard Polycarbonate (Adults)	\$40
	Tint (Solid and Gradient)	\$15
	UV Coating	\$15
	Progressive Lenses	
	Standard	\$65
	Premium Tier 1	\$85
	Premium Tier 2	\$95
	Premium Tier 3	\$110
	Anti-Reflective Coating	
	Standard	\$45
	Premium Tier 1	\$57
	Premium Tier 2	\$68
Other Add-ons and Services		20% off retail price
Additional Pairs of Eyeglasses		
Anytime from any Blue View Vision network provider	Complete Pairs	40% off retail price
	Eyeglass materials purchased separately	20% off retail price
Eyewear Accessories		
Items such as non-prescription sunglasses, lens cleaning supplies, contact lens solutions, eyeglass cases, etc		20% off retail price
Conventional Contact Lenses		
After covered benefits have been used		
Discount applies to materials only		15% off retail price

b) Exceptions and Limitations

- Benefits are not available for any lenses not requiring a prescription, including sunglasses
- Any lost or broken lenses or frames are not eligible for replacement unless the insured person has reached his or her normal service interval as indicated in the plan design

- Medical or surgical treatment of the eye or any medication resulting from this treatment is not payable under the Vision Plan
- Benefits are not available for Orthoptics, vision training or subnormal vision aids
- Benefits are not available for services or materials provided as a result of Workers' Compensation or for examination required as a condition of employment

(c) How to File a Claim

Blue View Vision in network providers will file your claim for you and your dependents. You need to provide your Vision Identification Card to your provider. If your provider will not file your claim, you will need to obtain a claim form from your local Human Resources office or the HR Service Center. **If you utilize an out of network provider they will not file your claim for you.**

When you complete your claim form, please return to the Claims Administrator address on your ID Card. If your provider does not fill out the appropriate section on the form, please submit an itemize bill which contains the following:

- Patient's name
- Employee name
- Date of service
- Type of service performed
- Amount of charge
- Name, address, phone number and tax identification number of provider.

Out-of-Network Claims

Fax: 866-293-7373

Email: conclaims@eyewearspecialoffers.com

**Mail: Blue View Vision
Attn: OON Claims
PO Box 8504
Mason, OH 45040-7111**

Using a **Blue View Vision** provider (Anthem) will ensure you the most comprehensive reimbursement for your claim.

(d) Recovery of Overpayment

The Claims Administrator has the right to recover overpayments and payments made for benefits that were covered by another group health plan, governmental program or a statutory plan such as Workers' Compensation or automobile no-fault. If payment has been made, but is determined to have been paid erroneously, the Claims Administrator may recover these payments from the party who received the erroneous payment.

(e) Subrogation

If you have expenses for vision services that resulted from the negligence or wrong doing of a third party, and you reach a settlement or a judgment, the Claims Administrator may recover any benefits paid by this Plan.

(f) When coverage ends

- Vision coverage will end on the earliest of the following dates:
- The date the Vision Plan is terminated,
- The last day of the month that your employment terminates.,
- The date you no longer belong to a class of employees eligible for the coverage,
- The date you or your enrolled dependents are no longer eligible for coverage, and,
- The date your continuation coverage ceases as described in the "COBRA" Continuation Section.

SECTION 7 Keystone HMO

Keystone Health Plan Central, a Capital BlueCross Company, provides an HMO plan of benefits as an alternative to Mack employees residing in the 21 counties of Pennsylvania serviced by Keystone. HMOs, unlike PPOs, only provide benefit coverage if you are using participating network providers and hospitals. There are no out-of-network benefit payments.

This plan is not an insured benefit plan. The benefits provided are funded by Mack who is responsible for their payment. Keystone provides network providers and claims payment services but assumes no financial risk or obligation with respect to claims.

Verification of Benefits

You or your provider may call Customer Service with any benefit inquiry or verification of your benefits during normal business hours (8:00 am to 8:00 pm eastern time). Please remember a benefit inquiry/verification is not a verification of coverage or guarantee of payment. Call the Customer Service Number on your Identification Card.

(a) Schedule of Benefits

SUMMARY OF COST-SHARING	Amounts <i>Members</i> Are Responsible For:
Deductible (per calendar year)	\$200 per member \$400 per family
Copayments	
<ul style="list-style-type: none"> Office Visits - PCP (<i>performed by a Family Practitioner, General Practitioner, Internist, Pediatrician, Preventative Medicine specialist, or participating Retail Clinic</i>) 	\$15 copayment per visit
<ul style="list-style-type: none"> Specialist Office Visit 	\$30 copayment per visit
<ul style="list-style-type: none"> After Hours Office Visit (in addition to the PCP office visit copayment) 	\$0 copayment per visit
<ul style="list-style-type: none"> Emergency Room 	\$90 copayment per visit, waived if admitted
<ul style="list-style-type: none"> Urgent Care 	\$90 copayment per visit
<ul style="list-style-type: none"> Inpatient (Per Admission) 	\$0
<ul style="list-style-type: none"> Outpatient Surgery Copayment (facility) 	\$0
Coinsurance	50% coinsurance, where applicable
Out-of-Pocket Maximum	\$6,350 per member; \$12,700 per family
Coverage Lifetime Maximum	None

SUMMARY OF BENEFITS	Limits and Maximums	Amounts <i>Members</i> Are Responsible For:
PREVENTIVE CARE: Administered in accordance with Preventive Health Guidelines and PA state mandates		
Preventive Care Services		
• Pediatric Preventive Care		Covered in full, waive deductible
• Adult Preventive Care		Covered in full, waive deductible
Immunizations		Covered in full, waive deductible
Mammograms		
• Screening Mammogram	One per benefit period	Covered in full (no referral necessary), waive deductible
• Diagnostic Mammogram		Covered in full after deductible
Gynecological Services		
• Screening Gynecological Exam	One per benefit period	Covered in full (no referral necessary), waive deductible
• Screening Pap Smear	One per benefit period	Covered in full (no referral necessary), waive deductible
BENEFITS LISTED BELOW APPLY ONLY AFTER BENEFIT PERIOD DEDUCTIBLE IS MET		
Acute Care Hospital Room & Board		Covered in full after deductible
Acute Inpatient Rehabilitation	60 days/benefit period	Covered in full after deductible
Skilled Nursing Facility	Unlimited days/benefit period	Covered in full after deductible
Surgery		
• Surgical Procedure		Covered in full after deductible
		Covered in full after

• Anesthesia		deductible
Maternity Services and Newborn Care		Covered in full after deductible
Diagnostic Services		
• Radiology		Covered in full after deductible
• Laboratory		Covered in full, waive deductible
• Medical tests		Covered in full after deductible
Outpatient Therapy Services		
• Physical Medicine	90 (visits each type/benefit period)	Copayment applies
• Occupational, Respiratory & Speech Therapy	60 (visits/benefit period)	Copayment applies
• Manipulation Therapy	2 weeks (14 consecutive days) of acute care service per accident or injury	Copayment applies
Emergency Services		Covered in full, waive deductible Emergency room copayment applies, waived if admitted inpatient
Urgent Medical Care		
• In Service Area		Covered in full after copayment (additional copayment for AH visit)
• Outside Service Area		Covered in full after Emergency Room copayment
Medical Transport		
• Emergency Ambulance		Covered in full, waive deductible
• Non-Emergency Ambulance		Covered in full (between facility providers)

Summary of Benefits (CONTINUED)	Limits and Maximums	Amounts Members Are Responsible For:
Home Health Care Services	Unlimited visits/benefit period	Covered in full after deductible
Hospice Care	\$7,500 lifetime max	Covered in full after deductible
Durable Medical Equipment (DME)		50% coinsurance
Prosthetic Appliances and Orthotic Devices		Covered in full after deductible
Diabetic Supplies and Education		Covered in full when obtained at Participating (DME) Provider
		50% coinsurance when obtained at a Participating Pharmacy
Infertility Services	Unlimited benefit lifetime max/subscriber & spouse each	Covered in full after deductible
Assisted Fertilization		Not Covered
OTHER STANDARD PLAN FEATURES		
Preauthorization	Preauthorization is a clinical program in which our nurses work with physicians to approve and monitor certain health care services prior to the delivery of services. The purpose of Preauthorization is to ensure all members receive medically appropriate treatment to meet their individual needs.	
Disease Management	Disease Management Programs are a collaborative process that assess the health needs of a member with a chronic condition and provides education, counseling and on-demand information designed to increase a member's self-management of his/her diabetes, asthma, heart disease, and/or depression.	
Nurse Line	Nurse Line is staffed 24 hours a day, 7 days a week by experienced Registered Nurses to provide information and support for any health-related concern. Call 800-452-BLUE.	
Better Health WorksSM Personal Profile	Answer questions about yourself and the way you live and, based on the answers you provide, you will receive customized recommendations for your health situation. Support is available to follow through on these recommendations and to make positive health changes.	
mycapbluecross.com	Members register for on-line access to their personal account to check claim status, compare hospital quality and treatment costs, print temporary proof of coverage, read the SimplyWells SM member newsletter, view explanation of benefits, and much more.	

(b) STANDARD BENEFIT EXCLUSIONS.

The following list highlights **some** standard benefit exclusions. It is **NOT** intended to be a complete list or a complete description of all categories of benefit exclusions:

Cosmetic procedures – Acupuncture – Routine foot care; or support devices of the feet – Eyeglasses, contact lenses, or vision examinations for prescribing or fitting eyeglasses or contact lenses – Corneal surgery and other procedures to correct refractive errors – Prescription and over-the-counter drugs dispensed by a pharmacy or home health care agency provider – All dental services rendered after stabilization of a member in an emergency following an accidental injury – Treatment of obesity and/or morbid obesity - Any treatment leading or relating to or in connection with assisted fertilization, including donor services – Certain non-neonatal circumcision - Infertility services - Private duty nursing services - Procedures to reverse sterilization.

(c) Additional Plan Information

1. Inpatient admissions as well as certain other services and equipment may require preauthorization.
2. Participating providers agree to accept our allowance as payment in full—often less than their normal charge.
3. For more information or to locate a participating provider, visit www.capbluecross.com.

(d) HMO Drug Benefits

HIGHLIGHTS	AMOUNTS YOU ARE RESPONSIBLE FOR:		
	Retail Pharmacy (up to a 30-day supply)	Mail Service Pharmacy (up to a 90-day supply)	Specialty Pharmacy (up to a 30-day supply)
DEDUCTIBLE			
Per benefit period*	None		
PRESCRIPTION DRUG TIER		BENEFIT	
Generic Prescription Drugs	\$7 copayment	\$14 copayment	\$7 copayment
Preferred Brand Prescription Drugs	\$22 copayment	\$44 copayment	\$22 copayment
PRESCRIPTION DRUG TIER (Contraceptives)		BENEFIT	
Generic Prescription Drugs	\$0 copayment	\$0 copayment	Not covered
Select Brand Prescription Drugs**	\$0 copayment	\$0 copayment	Not covered
Preferred Brand Prescription Drugs	\$22 copayment	\$44 copayment	Not covered

PRESCRIPTION CATEGORY		BENEFIT	
Contraceptives	Covered	Covered	Not covered
Fertility Drugs (\$1,000 benefit lifetime maximum)	Covered (50% coinsurance)	Covered (50% coinsurance)	Not covered
Sexual Dysfunction Drugs	Covered	Covered	Not covered
Weight Loss Drugs	Not covered	Not covered	Not covered
Non-Specialty Drugs (self-administered)	Covered	Covered	Not covered
Specialty Drugs (self-administered)	Not covered	Not covered	Covered
Nicotine Cessation Products (prescription)	Not covered	Not covered	Not covered
Vitamins (prescription, non-prenatal)	Covered	Covered	Not covered
Prenatal Vitamins (prescription)	Covered	Covered	Not covered
Anti-Flu Therapies	Covered	Not covered	Not covered
Diabetic Supplies	Covered	Covered	Not covered
Topical Retinoid (Acne) Products	Covered with age limit	Covered with age limit	Not covered
Over-the-Counter Equivalents	Not covered	Not covered	Not covered
UTILIZATION PROGRAM		BENEFIT	
Generic Substitution Program		Voluntary Generic Substitution – In addition to the coinsurance/ copayment, the member pays the difference between the brand and generic drug price (when there is a generic alternative) regardless of whether the physician or member requests the brand be dispensed.	
Quantity Level Limits (per prescription, per day supply or per copayment)		Applicable to selected drugs. Please refer to the Capital BlueCross formulary or go to www.capbluecross.com.	
Prior Authorization		Applicable to selected drugs. Please refer to the Capital BlueCross formulary or go to www.capbluecross.com.	
Enhanced Prior Authorization		Applicable to selected drugs. Please refer to the Capital BlueCross formulary or go to www.capbluecross.com.	

(e) HMO Drug Exclusions

1. Which are not medically necessary as determined by Capital or its designee;
2. Unless otherwise set forth in the group contract, drugs that do not legally require a prescription as determined by Capital;
3. For prescription drugs that have an over-the-counter equivalent;
4. For devices or appliances, including but not limited to, therapeutic devices, artificial appliances, or similar devices or appliances, except for diabetic supplies;
5. For the administration or injection of prescription drugs;
6. For prescription drugs received in and billed by a hospital, nursing home, home for the aged, convalescent home, home health care agency, or similar institution;
7. For allergy serums, desensitization serums, venom;
8. Which are considered by Capital or its designee to be experimental or investigational;
9. For any illness or injury which occurs in the course of employment if benefits or compensation are available or required, in whole or in part, under a workers' compensation policy and/or any federal, state or local government's workers' compensation law or occupational disease law, including but not limited to, the United States Longshoreman's and Harbor Workers' Compensation Act as amended from time to time. This exclusion applies whether or not the member makes a claim for the benefits or compensation under the applicable workers' compensation policy/coverage and/or the applicable law;
10. For any illness or injury suffered after the member's effective date of coverage which resulted from an act of war, whether declared or undeclared;
11. Which are received by veterans and active military personnel at facilities operated by the Veteran's Administration or by the Department of Defense, unless payment is required by law;
12. Which are received from a dental or medical department maintained by or on behalf of an employer, mutual benefit association, labor union, trust, or similar person or group;
13. For the cost of benefits resulting from accidental bodily injury arising out of a motor vehicle accident, to the extent such benefits are payable under any medical expense payment provision (by whatever terminology used, including such benefits mandated by law) of any motor vehicle insurance policy;
14. For items or services paid for by Medicare when Medicare is primary consistent with the Medicare Secondary Payer Laws. This exclusion shall not apply when the contract holder is obligated by law to offer the member the benefits of this coverage as primary and the member so elects this coverage as primary;
15. For care of conditions that federal, state or local law requires to be treated in a public facility;
16. Which are court ordered services when not medically necessary and/or not a covered benefit;

17. Which are rendered while in custody of, or incarcerated by any federal, state, territorial, or municipal agency or body, even if the services are provided outside of any such custodial or incarcerating facility or building, unless payment is required by law;
18. Which exceed the allowable amount;
19. Which are cost-sharing amounts, differences between brand drug and generic drug prices (i.e. ancillary charges), and balances paid to non-participating pharmacies required of the member under this coverage;
20. For prescription drugs that require prior authorization if prior authorization is not obtained before dispensing the prescription drugs;
21. For quantities that exceed the limits/levels established by Capital;
22. For which a member would have no legal obligation to pay;
23. Which are incurred prior to the member's effective date of coverage;
24. Which are incurred after the date of termination of the member's coverage except as provided for in the Certificate of Coverage;
25. Which are received by a member in a country with which United States law prohibits transactions;
26. For prescription drugs utilized primarily to enhance physical or athletic performance or appearance;
27. For clinical cancer trial costs (e.g., drugs under investigation; patient travel expenses; data collection and analysis services), except for costs directly associated with medical care and complications, related to a Capital approved trial, which would normally be covered under standard patient therapy benefits;
28. For travel expenses incurred in conjunction with benefits unless specifically identified as a covered benefit elsewhere in the Certificate of Coverage;
29. For all prescription drugs and over-the-counter drugs dispensed during travel by a physician employed by a hotel, cruise line, spa, or similar facility;
30. For durable medical equipment;
31. For blenderized baby food, regular shelf food, or special infant formula;
32. For immunization agents, biological sera, blood, blood products;
33. For prescription drugs utilized to treat infertility;
34. For requests for reimbursement of covered drugs submitted after the allowed timeframe for reimbursement;
35. For all prescription drugs and over-the-counter drugs dispensed in a physician's office or by a facility provider;
36. For anti-flu therapies;
37. For prescription drugs in connection with sexual dysfunction. This exclusion applies even if such drugs are medically necessary to treat an illness or medical condition unrelated to sexual dysfunction so long as there are other drugs which can be used to treat the non-sexual dysfunction condition besides the sexual dysfunction drug;
38. For prescription drugs utilized for weight loss purposes;

- 39. For prescription drugs utilized to promote hair growth;
- 40. For prescription drugs utilized for cosmetic purposes;
- 41. For smoking cessation products;
- 42. For prescription vitamins (other than prenatal);
- 43. For topical retinoid products;
- 44. For injectable medications that cannot be self-administered;
- 45. For coverage through coordination of benefits;
- 46. Which are received through the designated and/or non-participating mail service pharmacy for mail service dispensing and submitted for reimbursement under retail dispensing benefits;
- 47. Which are received through a retail pharmacy for retail dispensing and submitted for reimbursement under mail service dispensing benefits;
- 48. For prescription drugs utilized in connection with non-covered medical services; and
- 49. For any other prescription drugs, service or treatment, except as provided in the Certificate of Coverage

SECTION 8 Company and Employee Contributions

(a) While Employed

The Company will make the required contributions on behalf of each employee while the employee is at work (as defined below) for medical, prescription drug, dental, and vision coverage described in this Article IV equal to cost of coverage less the required Employee Contributions for health care as defined in Article IV, Section 2. Coverage is based on the employee's marital status and number of the employee's dependents, provided that such coverage is not in excess of the coverage described in the next paragraph.

The coverage for which the Company will contribute under the foregoing will be based on the employee's timely election for:

- (i) Employee only,
- (ii) Employee and spouse, or
- (iii) Employee and family (including spouse and eligible children).

For purposes of this Section, an employee shall be considered "at work" in any month if the employee receives pay from the Company for any time during such month.

Employee Contributions will be taken on a pre-tax basis. When you enroll in health care benefits you must do so for you and your eligible dependents within 31

days of your eligibility effective date. Your benefit election (including waiver of coverage) for you and your eligible dependents will remain in effect throughout the calendar year. You may not make changes to your health care coverage elections until the next annual enrollment period unless you have a life event change (see examples below) and you make that change within 31 days of the life event. This is because you are making your required health care contributions on a pre-tax basis (before taxes) and therefore, the IRS requires Mack to follow certain tax rules (IRS Code Section 125).

Pre-tax contributions are taken from your pay before Federal, Social Security and (in some locations) State taxes are taken. Because your taxable income is reduced, you pay fewer taxes and you never will pay tax on that income. This reduction in pay has no effect on the value of your other benefits for which you are entitled.

Eligible dependents may be added (or dropped) during your annual enrollment period or within 31 days of the life event change. Examples of life event changes include the following:

- Marriage, divorce, legal separation,
- Birth of child, adoption or placement for adoption,
- Death of a spouse or child,
- When your child is no longer an eligible dependent,
- You, your spouse or your child lose coverage under another benefit plan or that coverage is significantly changed (your spouse loses his/her job or is reduced to part-time status), or
- Your COBRA coverage continuation period ends from another employer.

If you do not enroll your new dependents within the 31 days requirement, you must wait until the next annual enrollment period to do so. You must also drop your ineligible dependents within 31 days to reduce your medical contributions.

(b) During Sick Leave

During the period you are on an approved sick leave and unable to work your customary job or other available work or if you are receiving Long-Term Disability benefits after exhaustion of Accident and Sickness Benefits (Article III, Section 3 of Appendix B), the Company will pay the full cost for medical, prescription drug, dental,

and vision coverage, for you and your eligible dependents for the duration of such absence; but not in excess of the period equal to your seniority when the absence commenced. You must have been enrolled in health care coverage at the commencement of your approved sick leave for such coverage to be extended.

(c) During Layoff

If you are laid off, coverage under Article IV will be provided to you and your eligible dependents, without cost, through the month following the month, in which the layoff occurs. This includes employees laid off under any predetermined bumping system which limits job selection for bumping purposes and those employees taking a voluntary layoff under any collective bargaining agreement permitting the same. Any returning veteran, who would be entitled to reinstatement under the Master Bargaining Agreement because of sufficient seniority, who is not reinstated and is placed on layoff, will have his/her coverage reinstated at no cost for the balance of the month in which he/she is placed on layoff.

Medical, prescription drug, dental, and vision coverages will continue to be provided for you and your eligible dependents, without cost, during any layoff meeting the conditions of Section 2 of Article III of the SUB Plan. Continuation of health coverage is also extended if you are laid off under any predetermined bumping system which limits job selections for bumping purposes and during any voluntary layoff under any collective bargaining agreement permitting the same. Coverage is extended for each full calendar month of layoff (for which you receive no pay from the Company) for a maximum period determined in accordance with the applicable table in Article III, Section 6 (c). The day the employee reports for work shall be deemed to be the employee's last day worked prior to layoff, but only for purposes of determining the period of continuation and eligibility for Company-paid coverage.

If there is no break in seniority, you may also continue medical, prescription drug, dental, and vision coverage during your layoff for an additional twelve consecutive months following the last month your coverage was continued at no cost by the Company under this Section 8 (c), by paying in advance the full monthly premium for such coverage.

The Company will furnish employees with the same information in writing as contained in Article III, Section 6 (c) as to their individual status under this Section 8 (c) at the time of layoff.

(d) Surviving Spouses

- (i) If you are killed as the result of an on-the-job accident with the Company, the coverage outlined in Article IV for which you were eligible for and enrolled in

at the time of your death will continue at no cost until your spouse remarries, and

- (ii) If you die and your surviving spouse qualifies for Bridge Survivor Income Benefits (or who would have otherwise qualified for Bridge Survivor Income Benefits except they attained age 62 during the period of Transition Benefits) under the provisions of the Pension Plan, coverage outlined in Article IV for which you were eligible and enrolled will continue at no cost for the six months immediately following the date coverage would have ended.

(e) Sponsored Dependents

The Company will make available group medical and prescription drug coverage (but not, dental and vision expense coverage) provided for in this Article IV to sponsored dependents at the group rate cost. The employee shall furnish proof satisfactory to the Company that such sponsored dependent meets the eligibility requirements outlined in Article II, Section 2 (b).

SECTION 9 Continuation of Coverage

(a) Sick Leave

During the period you are on approved sick leave and unable to work at your customary job or other available work, the Company will continue your medical, prescription drug, dental and vision coverage at no cost to you if you are eligible and enrolled in coverage.

(b) Leave of Absence (Other Than Sick Leave)

During any period you are on an approved leave of absence pursuant to the applicable collective bargaining agreement, [other than leave with the International Union, leave because of election to federal, state, county or municipal office, or military leave (subject to the employee's rights under the Uniformed Services Employment and Reemployment Rights Act)], the Company will continue your medical, prescription drug, dental, and vision coverage, if you are enrolled, without contribution through the end of the month following the month in which the leave begins. Thereafter, employees have the right to initiate their Federal COBRA rights.

If you are on an approved local union leave you may continue your dental and vision coverage for the duration of such leave starting with the month following the last month for which coverage was provided by Company, by paying in advance the required full monthly premium.

During the period you are on vacation the Company will continue your medical, prescription drug, dental and vision coverage in force subject to the required Employee Contributions for health care as defined in Section 2.

(c) Layoff

Subject to any applicable federal or state law, you may continue your medical, prescription drug, dental and vision coverage by paying the full group rate cost, while on layoff if you have not incurred a break in seniority. Coverage can continue through the twelfth consecutive month following the last month the Company paid for this coverage as defined in Section 8 of this Article IV.

(d) Recall While Disabled

If you are recalled from layoff and are not physically able to return to work because of a disabling illness or injury incurred during your layoff, you will be eligible for benefits under the Insurance Program, provided you furnish the Company with proof satisfactory to the Company physician of your bona fide illness or injury. In addition, you cannot be entitled to such benefits if you are eligible to receive comparable benefits under any insurance program provided by another employer.

(e) While a Grievance is Pending

If you are terminated, discharged or suspended for disciplinary reasons, your medical and prescription drug coverage (but not dental and vision coverage) will be continued at Company expense through the month following the month in which the termination, discharge or suspension occurred. If you are terminated and have a grievance pending for the reasons set forth in Section 6 (e) of Article III of the Program, medical and prescription drug coverage (but not dental and vision coverage) may be continued by you paying the full group rate until the grievance is resolved. If you are reinstated, or the disciplinary layoff is reduced, the Company will reimburse you for the insurance contributions which the Company otherwise would have paid. Dental and vision expense coverage will cease at the end of the day in which loss of seniority occurs.

(f) Return to Active Employment

In the event your active employment ceases for any reason, and there was no break in your seniority, then upon your return to active employment your insurance coverage will commence immediately if you were enrolled in coverage when your active employment ceased.

(g) Termination of Employment

Accident & Sickness benefits, Long Term Disability benefits, life, and accident death and dismemberment benefits will cease as of the last day worked. Medical, prescription drug, dental, and vision, will cease on the last day of the month in which you last work.

You have 31 days following the termination of your life insurance coverage to convert to a non-group, individual life insurance policy. The HR Service Center will supply you with the necessary information and forms to exercise this privilege.

You have the right to exercise your Federal COBRA rights, which allow you to continue medical, prescription drug, dental, and vision coverage. See Section 12 for additional information on COBRA.

There are no conversion privileges for AD&D insurance, Accident and Sickness benefits or Long Term Disability.

SECTION 10 Federal Medical Benefits Provided By Law

(a) As stated in Article IV, section 1(c), the Program will supplement benefits provided by the government, such as the Medicare benefits available under the Social Security Act to the extent allowed by the Medicare Secondary Payer Act and other applicable federal and state laws. Compliance by the Company with such laws shall be deemed full compliance with the provisions of this Program with respect to such employees eligible for benefits under such laws. If, as a result of such laws, the level of benefits provided for any group of employees or their dependents is generally lower than the corresponding level of benefits under the Program, the Company shall upon mutual agreement with the Union provide a plan of benefits supplementary to the federal benefits to the extent necessary to make total benefits as nearly comparable as practicable to the benefits provided under the Program, with such contributions by employees as are mutually determined to be consistent with the contributions established in this Program.

(b) The provisions of Subsection (a) above to the contrary notwithstanding and upon mutual agreement between the Company and the Union, the Company, may, if federal laws permit, substitute a plan of benefits for the benefits provided by the federal laws referred to in Subsection (a) above and modify the applicable provisions of this Program to the extent and in the respects necessary to secure the approval of such substitution from the appropriate governmental authority. The Company may make such plan available to employees and require from them such contributions as

are mutually determined to be consistent with the contributions established in this Section.

- (c) Medical, prescription drug, dental and vision coverage provided to you under Article IV may be reduced by the amount of such benefits provided under any Federal or State law. In cases where you exercise an option under any Federal or State law to take cash payments in lieu of medical, prescription drug, dental or vision benefits, the equivalent of such payments will be required as a contribution toward the benefits provided in Article IV, but not to exceed Company cost for the Program.

SECTION 11 Coordination of Benefits

Coordination of benefits is required under the Medical, Prescription Drug, Dental and Vision Programs when you incur eligible expenses and are covered by another group health plan, a governmental program, or a statutory plan such as automobile No-Fault.

The Plan uses guidelines established by the National Association of Insurance Commissioners (NAIC) to determine the order in which coordinating plans will pay benefits. Under these guidelines, a plan without a coordination provision is always the primary plan. If all plans have coordinating provisions, the plan covering the patient directly as an employee, rather than as a dependent, will be primary, and the others will be secondary. If a child is covered under both parents' plans, the plan of the parent whose birthday falls earlier in the calendar year will be primary. If both parents have the same birthday, the plan that has covered a parent longer will be primary.

When parents are separated or divorced, their plans pay in this order:

1. The plan of the parent with financial responsibility for medical expenses of the child, when established under a court decree.
2. The plan of the parent with custody of the child.
3. The plan of the spouse of the parent with custody of the child.
4. The plan of the parent not having custody of the child.
5. In cases where dependent children of separated/divorced parents are subject to joint custody (and neither parent is designated as specifically responsible for health care expenses), the birthday rule is applied.

If benefits have been provided before the Claims Administrator knows of a court decree establishing financial responsibility for the medical expenses of the child, the first point listed above does not apply.

The Plan will not coordinate with an individual insurance policy purchased by you.

In addition to the voluntary incentive set forth in this Article IV, Section 11(d) above, the Company and Union will jointly study and, if feasible, implement a new Coordination of Benefits provision to require a working spouse to enroll in his/her employer's medical plan, if there is no monthly premium contribution nor out of network penalties.

COMPUTATION OF BENEFITS

When the Mack Program is the primary plan, benefits will be paid without regard to any other plan. The secondary plans may then coordinate benefits so that total benefits paid by all of the plans will not exceed total expenses incurred by the member.

If the Mack Program is not the primary plan, the primary plan will pay benefits without regard to the Mack Program. The Mack Plan will subtract the benefits paid by the primary plan from the eligible expenses incurred. The Mack Plan will pay the lesser of the remaining eligible expenses or the maximum amount that would have been payable if the Mack Plan was primary. In no event, however, will the combined benefit payments from both plans exceed the eligible expenses incurred.

The Plan will have the right to give or receive any information, without prior consent, that may be necessary to administer the Coordination provisions.

The Plan has the right to recover overpayments and payments made for benefits that were covered by another group health plan, a governmental program, or a statutory plan such as Workers' Compensation or automobile No-Fault. If a payment has been made, but is determined to have been paid erroneously, the Plan may recover these payments.

If you have expenses that resulted from the negligence or wrong doing of a third party and you reach a settlement or receive a judgment, the Plan may recover any benefits paid by the Plan. The Plan may also attempt to recover benefits by filing a lawsuit.

SECTION 12 Continuation Of Coverage Under COBRA (Consolidated Omnibus Budget Reconciliation Act of 1985, as Amended)

This section only applies to individuals who were considered active employees on or after January 1, 1988, and their dependents.

Under federal law, the Plan offers you, your spouse, and your dependent children the opportunity to elect to purchase a temporary extension of your health care coverage (called "COBRA continuation coverage") at group rates in certain instances ("qualifying events") where coverage under the Plan would otherwise end.

COBRA continuation coverage under this Plan is administered by **Conexis** COBRA Services. **Conexis** can be reached at 1-**888-678-4881**.

(a) Eligibility for COBRA Continuation Coverage

"Qualified beneficiaries" are eligible for COBRA continuation coverage if their coverage under the plan would otherwise end due to a qualifying event and if they were covered by the Plan on the day before such qualifying event occurs. Qualified beneficiaries include you, your spouse, and your dependent children. Moreover, any child who is born to or placed for adoption with you during a period when you are receiving COBRA continuation coverage will also be a qualified beneficiary. However, if you are married during a period when you are receiving COBRA continuation coverage, your new spouse will not be a qualified beneficiary.

You have the right to elect to purchase COBRA continuation coverage if you lose coverage under the Plan due to either of the following qualifying events: (1) a reduction of your hours of employment so that you no longer meet the eligibility requirements or (2) because of the voluntary or involuntary termination of your employment (for reasons other than your gross misconduct).

Your spouse and your dependent children have the right to purchase COBRA continuation coverage if they lose coverage under the Plan due to any of the following four qualifying events:

- 1) Your death;
- 2) The voluntary or involuntary termination of your employment (for reasons other than your gross misconduct) or the reduction of your hours of employment;
- 3) Your divorce or legal separation from your spouse; or
- 4) You become entitled to Medicare.

In addition, any child of yours has the right to purchase COBRA continuation coverage if coverage under the Plan is lost because such child ceases to be a "Dependent" under the Plan.

All notices of qualifying events must be provided to your local Human Resources Department. You may be required to provide proof of your qualifying event to Human Resources when you provide notice of that event. Human Resources will notify **Conexis**, who is under contract with the Company to administer COBRA. **Conexis** can be reached at 1-**888-678-4881**.

Moreover, the filing of a proceeding in bankruptcy under Title 11 of the United States Code may be a qualifying event for retirees. If a proceeding in bankruptcy is filed with respect to the Company and that bankruptcy results in the loss of coverage of any retiree covered under the Plan, the retired employee is a qualified beneficiary with respect to the bankruptcy. The retired employee's spouse, surviving spouse, and dependent children will also be qualified beneficiaries if bankruptcy results in the loss of their coverage under the Plan.

(b) Duration of COBRA Continuation Coverage

The duration of COBRA continuation coverage depends upon the nature of the qualifying event causing the loss of coverage.

Where coverage under the Plan is lost because of your termination of employment or reduction in hours, you, your spouse, and/or your dependent children will be afforded the opportunity to purchase COBRA continuation coverage for 18 months from the date of the qualifying event.

If your spouse and/or dependent children lose coverage under the Plan due to any qualifying event other than your termination of employment or reduction in hours, they will be afforded the opportunity to purchase COBRA continuation coverage for 36 months from the date of the qualifying event.

Where your spouse and/or dependent children lose coverage under the Plan because of your termination of employment or reduction in hours, the 18-month period of COBRA continuation coverage may be extended to 36 months if they experience a second qualifying event during the initial 18-month period. Secondary qualifying events include your death, divorce, or the cessation of your child's status as a dependent child under the Plan. If your spouse and/or dependent children experience a secondary qualifying event, they should notify Human Resources or **Conexis** of the occurrence of such event within 60 days of the event and advise the Plan if they wish to extend coverage.

Moreover, in the event of your termination of employment or a reduction in your hours, coverage for you, your spouse, and/or your dependent children may be extended from 18 months to 29 months if one of you is determined by the Social Security Administration to be disabled, either at the time of the initial qualifying event or at any time during the first 60 days of COBRA continuation coverage. Notice of

such disability determination must be provided to the Plan on a date that is both within 60 days after the date of the determination and before the end of the 18-month period applicable to the initial qualifying event.

If the disability extension applies with respect to a qualifying event, it applies with respect to each qualified beneficiary entitled to COBRA continuation coverage because of that qualifying event. Thus, the 29-month maximum coverage period applies to each qualified beneficiary who is not disabled as well as to the qualified beneficiary who is disabled and it applies independently with respect to each of the qualified beneficiaries.

The qualified beneficiary must notify the Plan within 60 days if he or she is no longer disabled. The disability extension of COBRA continuation coverage will terminate upon recovery from disability if 18 months of continuation coverage have already been received.

If more than one qualifying event occurs, no more than 36 months of COBRA continuation coverage will be available. Coverage will end sooner if Volvo ceases to provide any group health coverage, or if you or the individual covered under COBRA, after electing COBRA continuation coverage:

- initially becomes covered under another group health plan that does not have a pre-existing condition limitation, or
- fails to make required contributions when due, or
- initially becomes eligible for Medicare benefits. For purposes of termination of COBRA continuation coverage, an individual becomes eligible for Medicare benefits upon the effective date of enrollment in Part A or Part B, whichever occurs earlier.

(c) Scope of Continuation Coverage

If a qualified beneficiary elects continuation coverage, the Plan will permit him or her to continue the Medical, Prescription Drug, Vision, and Dental Coverage that he or she was receiving immediately before the qualifying event. Such coverage will be identical to those coverages provided under the Plan to similarly situated employees, spouses and/or dependent children. COBRA continuation coverage does not include the continuation of Life Insurance, AD&D Insurance, A&S or LTD Coverages.

(d) Cost of COBRA Continuation Coverage

You must pay the entire cost for COBRA continuation coverage. In the event you become eligible to elect COBRA continuation coverage, your Human Resources Department will advise you of your cost for coverage. In the case of disabled

participants who continue coverage after 18 months (up to 29 months) the maximum cost for COBRA coverage will be 150% of the cost for the extra coverage period.

Your first payment, covering the entire period since the date of the qualifying event, is due within 45 days after the date on which COBRA continuation coverage is elected. Thereafter, you must pay for COBRA continuation coverage on a monthly basis, and payment is due at the Plan by the first of every month. You will receive a 30-day grace period each month. As such, payment must be received by the end of the grace period on last day of the current month of eligibility. Failure to pay any premium in a timely manner (either by the end of the 45-day initial premium payment period or by the end of the monthly grace period) could cause your COBRA continuation coverage to be retroactively terminated. The Plan is not required under COBRA to send premium billing statements.

Payment of benefits for any period may be delayed until your payment is received for that period. If you use the Plan during any period, you will be responsible for the premiums for that period.

To the extent alternative continuation privileges are available under the Program that satisfy all the requirements for COBRA continuation coverage, such alternative continuation privileges will be integrated with the COBRA continuation coverage.

(e) COBRA Continuation Coverage Notification

In the event of a divorce or legal separation, enrollment in Medicare, or a child no longer qualifying as a dependent, you must notify your Human Resources Department as soon as possible, but no later than 60 days after the event. Within 14 days, your dependents will be advised of their rights to continue coverage under the Plan.

In the event of a termination of employment, reduction of hours, or your death, you, your spouse, and/or your dependent children will automatically be notified of this opportunity to continue coverage. If you do not receive such notice within 14 days, please contact the Human Resources Service Center.

If your family experiences another qualifying event while receiving COBRA continuation coverage, and if your spouse and dependent children wish to extend the duration of their continuation coverage as described above, you must make sure that the Human Resources Service Center is notified of the second qualifying event within 60 days after the occurrence of such second qualifying event.

In order to protect your family's rights, you should keep the Human Resources Service Center informed of any changes in the addresses of you or your family members. You should also keep a copy, for your records, of any notices you send to the Human Resources Service Center.

(f) Election of COBRA Continuation Coverage

You, your spouse, and/or your dependent children will have at least 60 days in which to elect continuation coverage. This election period will end the later of 60 days from the date you are notified of your continuation coverage rights or 60 days from the date of your loss of coverage. The Plan is not required to pay benefits until you have elected continuation coverage and paid the applicable premium. If, however, you, your spouse, and/or your dependent children apply for benefits under the Plan during the election period and benefits are paid from the plan, you will be considered to have elected continuation coverage, and you will be legally responsible for the premiums for that coverage.

In accordance with the Trade Act of 2002, you will be afforded a second 60-day COBRA election period if you become eligible for trade adjustment assistance (TAA) under the Trade Act of 1974. You may be eligible to receive TAA if your employment is adversely affected by international trade (increased imports or a shift of production to another country). If you are a TAA-eligible individual and you did not elect continuation coverage during the 60-day COBRA election period that was a direct consequence of a TAA-related loss of coverage, you may elect continuation coverage during a 60-day period that begins on the first day of the month in which you are determined to be TAA-eligible, provided such election is made not later than 6 months after the date of the TAA-related loss of coverage. You may elect coverage for yourself and your eligible dependents who are also qualified beneficiaries. Any continuation coverage elected during the second election period will begin with the first day of the second election period, and not on the date on which coverage originally lapsed.

Any coverage which has been extended will end for you or your covered dependents on the first date on which any of the following occurs:

- the maximum coverage period for your qualifying event ends;
- you fail to pay the cost of COBRA continuation coverage on a timely basis;
- the date after electing COBRA continuation coverage, that the qualified beneficiary initially becomes covered for benefits under another group plan, unless the new plan contains a pre-existing condition exclusion or limitation which applies to any pre-existing condition of you and/or your dependent;
- the date that group health plan coverage ends for all employees of the Company;
- the date, after electing COBRA coverage, that the qualified beneficiary initially becomes entitled to Medicare benefits (except in certain cases).

- the date on which the Social Security Administration determines that a covered person receiving 11 additional months of COBRA continuation coverage under a disability extension (beyond the initial 18-month period) is no longer disabled.

(g) Effect of Failure to Elect Continuation Coverage

In considering whether to elect continuation coverage, you should take into account that a failure to continue your group health coverage will affect your future rights under federal law. First, you can lose the right to avoid having pre-existing condition exclusions applied to you by other group health plans if you have more than a 63-day gap in health coverage, and election of continuation coverage may help you not have such a gap. Second, you will lose the guaranteed right to purchase individual insurance policies that do not impose such pre-existing condition exclusions if you do not get continuation coverage for the maximum time available to you. Finally, you should take into account that you have special enrollment rights under federal law. You have the right to request special enrollment in another group health plan for which you are otherwise eligible (such as a plan sponsored by your spouse's employer) within 30 days after your group health coverage ends because of a qualifying event. You will also have the same special enrollment right at the end of continuation coverage if you get continuation coverage to the maximum time available to you.

(h) If You Have Questions

If you have questions about your COBRA continuation coverage, you should contact your HR Service Center at 800-344-8339, or you may contact the nearest Regional or District Office of the U.S. Department of Labor's Employee Benefits Administration (EBSA). Addresses and phone numbers of Regional and District EBSA Offices are available through the EBSA website at www.dol.gov/ebsa.

ARTICLE V

General

SECTION 1 Group Practice

In the event that a group practice direct service medical or dental care plan is established or is available in any location where a facility of the Company is located, the parties agree that, subject to the group practice plan satisfying both parties as to the comprehensiveness and quality of services provided, each employee in such location

will annually be offered the opportunity to choose between the group practice plan and the medical or dental care coverage as outlined herein. The Company will pay to the group practice plan, on behalf of those employees selecting such coverage an amount equal to what it would have paid for the coverage outlined herein.

SECTION 2 Issue Resolution

- (a) The question of whether or not an employee is eligible for participation in the Program within the meaning of this Agreement may be determined through the grievance procedure at the plant where the employee works or worked.
- (b) In the event of any conflict between the provisions of the Insurance Program, (i.e., Appendix "B") and the provisions of any Insurance Policy or Rider, the provisions of the Insurance Program will supersede the provisions of such Policies or Riders to the extent necessary to eliminate such conflict.
- (c) It is understood that no grievance procedure of any collective bargaining agreement between the parties hereto shall apply to the Insurance Program or any insurance contract in connection therewith and that any claim for an insured benefit will be presented for settlement only to the insurer. Claims that are not settled in accordance with the terms of the Insurance Program shall be resolved in accordance with the Claims Review and Appeals Procedure in Article V, Sections 3 and 4.

SECTION 3 Claims Review and Appeals Procedures (except Medco/Express Script)

The law provides that the Plan must set up reasonable rules for filing a claim for benefits. In general, you (or your designated beneficiary) must file a written claim on the appropriate form. Claims are normally filed by your provider.

Your claim and appeal rights as described herein may be asserted on your behalf by your authorized representative (including a UAW Representative).

The law allows a reasonable amount of time for the Claims Administrator to evaluate a claim and to decide whether to pay benefits based on the information contained in the written claim.

You are entitled to receive written notice as to the status of your claim – whether it is allowed, in full or in part, or denied. The timing of such notice depends upon the type of claim that has been filed. The specific time periods are described below. If your claim is denied in whole or in part, you may appeal the denial by following the specified appeal procedures for each plan. Some plans have multiple levels of appeal, except life

insurance and long term disability, which are determined by the carrier. The group health plan for example, has multiple levels of appeal, including the right for an external review of the denial in certain situations. The first level of appeal for health plans is a mandatory appeal with the Claims Administrator. If you are not satisfied with that determination, you may wish to initiate a second, voluntary appeal for your claim. For your voluntary appeal, you must choose to use either the external review for the group health plan or the UAW appeal process described later in this Section.

(a) Timing of Notice of Initial Determination

You are entitled to receive written notice as to the status of your claim – whether it is allowed, in full or in part, or denied. The timing of such notice depends upon the type of claim that has been filed.

In the case of a health claim involving urgent care, you will receive notice of the Plan's benefit determination (whether adverse or not) as soon as possible, taking into account all medical emergencies and circumstances, but not later than 72 hours after the Plan receives your claim, unless you fail to provide sufficient information to determine whether, or to what extent, benefits are covered or payable under the Plan. In the case of such a failure, the Plan shall notify you as soon as possible, but not later than 24 hours after receipt of the claim by the Plan, of the specific information necessary to complete the claim. You shall then be afforded a reasonable amount of time, taking into account the circumstances, but not less than 48 hours, to provide the specified information. The Plan shall then notify you of its benefit determination as soon as possible, but in no case later than 48 hours after the earlier of the Plan's receipt of the specified information or the end of the period afforded to you to provide the additional specified information.

If the Plan has approved an ongoing course of treatment to be provided over a period of time or a number of treatments, the Plan shall notify you of any reduction or termination by the Plan of such course of treatment before the end of such period of time or number of treatments. Such notice shall be provided at a time sufficiently in advance of the reduction or termination to allow you to appeal and obtain a determination on review before the benefit is reduced or terminated.

If you have a claim for urgent care and you wish to extend a course of treatment beyond the period of time or number of treatments that constitutes such urgent care, the Plan shall decide your request as soon as possible, taking into account all medical emergencies and circumstances, and the Plan shall notify you of its benefit determination, whether adverse or not, within 24 hours after receipt of the

claim by the Plan, provided that any such claim is made to the Plan at least 24 hours prior to the expiration of the period of time or number of treatments.

In the case of any other pre-service health claim, the Plan shall notify you of the Plan's benefit determination within a reasonable period of time appropriate to the medical circumstances, but not later than 15 days after receipt of the claim by the Plan. This period may be extended one time by the Plan for up to 15 days, provided that the Plan both determines that such an extension is necessary due to matters beyond the Plan's control and notifies you, prior to the expiration of the initial 15-day period, of the circumstances requiring the extension and the date by which a determination will be made. If such an extension is necessary due to your failure to submit the information required to decide the claim, the notice of extension shall specifically describe the information required and you shall be afforded at least 45 days from receipt of such notice within which to provide the specified information.

In the case of any other post-service health claim, the Plan shall notify you of the Plan's benefit determination within a reasonable period of time, but not later than 30 days after receipt of the claim. This period may be extended one time by the Plan for up to 15 days, provided that the Plan both determines that such an extension is necessary due to matters beyond the Plan's control and notifies you, prior to the expiration of the initial 30-day period, of the circumstances requiring the extension and the date by which a determination will be made. If such an extension is necessary due to your failure to submit the information required to decide the claim, the notice of extension shall specifically describe the information required and you shall be afforded at least 45 days from receipt of such notice within which to provide the specified information.

In the case of a claim for disability benefits, the Plan shall notify you of the Plan's benefit determination within a reasonable period of time, but not later than 45 days after receipt of the claim. This period may be extended by the plan for up to 30 days, provided that the Plan both determines that such an extension is necessary due to matters beyond the Plan's control and notifies you, prior to the expiration of the initial 45-day period, of the circumstances requiring the extension and the date by which a determination will be made. If prior to the end of the first 30-day extension period, the Plan determines that, due to circumstances beyond the control of the Plan, a decision cannot be rendered within the extension period, the period for making the determination may be extended for up to an additional 30 days, provided the Plan notifies the claimant, prior to the expiration of the first 30-day extension period, of the circumstances requiring the extension and the date by which the determination will be made. In

the case of any extension, the notice of extension shall specifically explain the standards on which entitlement to a benefit is based, the unresolved issues that prevent a decision on the claim, and the additional information needed to resolve those issues. The claimant shall be afforded at least 45 days to provide the specified information.

In the case of a claim for life insurance benefits, the Plan shall notify you of the Plan's benefit determination within a reasonable period of time, but not later than 90 days after receipt of the claim. This period may be extended by the Plan for up to 90 days, provided that the Plan both determines that such an extension is necessary due to matters beyond the Plan's control and notifies you, prior to the expiration of the initial 90-day period, of the circumstances requiring the extension and the date by which a determination will be made. The extension notice shall indicate the special circumstances requiring an extension of time and the date by which the plan expects to render the benefit determination.

(b) If Claim is Denied

If your claim under the Plan is denied, either in full or in part, you will receive a written notice that explains the reasons for the denial and references to the specific Plan provisions on which the denial was based. If your claim was denied because you did not furnish complete information or documentation, the notice will state the additional materials needed to support your claim and why such information is necessary. The notice will also tell you how to request a review of the denied claim and will also include a statement of your right to bring a lawsuit under section 502 of the Act following a denial on review.

If an internal rule, guideline, protocol, or other similar criterion was relied upon in making the benefit determination, the notice of denial will set forth either the specific rule, guideline, protocol or other similar criterion, or a statement that such was relied upon and will be provided to you free of charge upon request.

If the denial is based on a medical necessity or experimental treatment or similar exclusion or limit, the notice shall set forth either an explanation of the scientific or clinical judgment for the determination, applying the terms of the Plan to your medical circumstances, or a statement that such an explanation will be provided free of charge upon request.

In the case of a denial of a claim involving urgent care, the notice will describe the expedited review process applicable to such claims.

(c) Appeal of Claim Denial

You shall have a reasonable opportunity to appeal any denial of your claim, and such appeal shall involve a full and fair review of your claim.

Your appeal shall be submitted within 180 days of your receipt of the notice that your claim has been denied. As part of your appeal you may submit written comments, documents, records and other information relating to your claim. You may also be provided, upon request and free of charge, reasonable access to and copies of all documents, records and other information relevant to your claim. The review of your claim shall take into account all comments, documents, records and other information submitted by you relating to your claim, without regard to whether such information was submitted or considered in the initial benefit determination.

The review on appeal shall not afford any deference to the initial denial. If the denial of your claim is based in whole or in part on a medical judgment, the review shall involve consultation with a health care professional who has appropriate training and experience in the field involved in the medical judgment and who was not an individual consulted in connection with the initial benefit determination. Additionally, you will be notified of the identity of medical or vocational experts whose advice was obtained by the Plan in connection with your claim, without regard to whether the advice was relied upon in the denial of the claim.

In the case of a claim involving urgent care, the review process may be expedited in that you may request an expedited appeal either orally or in writing and all necessary information, including the plan's determination on review, may be transmitted between the Plan and you by telephone, facsimile or other available similarly expeditious method.

(d) Timing of Notification on Appeals

In the case of a claim involving urgent care, the Plan shall notify you of the Plan's determination on appeal as soon as possible, taking into account all medical emergencies and circumstances, but not later than 72 hours after receipt of the request for review.

For a pre-service health claim, the Plan shall notify you of the Plan's determination on appeal within a reasonable period of time appropriate to the medical circumstances, but not later than 30 days after receipt of the request for review.

For a post-service health claim, the Plan shall notify you of the Plan's determination on appeal within a reasonable period of time, but not later than 60 days after receipt of the request for review.

For a claim involving disability benefits, the Plan shall notify you of the Plan's determination on appeal within a reasonable period of time, but not later than 45

days after receipt of the request for review. This period may be extended by the Plan for up to 45 days, provided that the Plan both determines that such an extension is necessary due to matters beyond the Plan's control and notifies you, prior to the expiration of the initial 45-day period, of the circumstances requiring the extension and the date by which a determination will be made. The extension notice shall indicate the special circumstances requiring an extension of time and the date by which the plan expects to render the benefit determination.

For a claim involving life insurance benefits, the Plan shall notify you of the Plan's determination on appeal within a reasonable period of time, but not later than 60 days after receipt of the request for review. This period may be extended by the Plan for up to 60 days, provided that the Plan both determines that such an extension is necessary due to matters beyond the Plan's control and notifies you, prior to the expiration of the initial 60-day period, of the circumstances requiring the extension and the date by which a determination will be made. The extension notice shall indicate the special circumstances requiring an extension of time and the date by which the plan expects to render the benefit determination.

(e) Denial of Appeals

If your appeal is denied, either in full or in part, you will receive a written notice that explains the reasons for the denial and references to the specific Plan provisions on which the denial was based. The notice will tell you that you are entitled to receive, upon request and free of charge, reasonable access to and copies of all documents, records and other information relevant to your claim. The notice will describe the voluntary appeal procedures described below and will include a statement of your right to bring a lawsuit under section 502 of the Act.

If an internal rule, guideline, protocol, or other similar criterion was relied upon in denying the appeal, the notice of denial will set forth either the specific rule, guideline, protocol or other similar criterion, or a statement that such was relied upon and will be provided to you free of charge upon request.

If the denial on appeal is based on a medical necessity or experimental treatment or similar exclusion or limit, the notice shall set forth either an explanation of the scientific or clinical judgment for the determination, applying the terms of the Plan to our medical circumstances, or a statement that such an explanation will be provided free of charge upon request.

(f) Additional Voluntary Appeals For Medical Claims – Member may choose between an External or UAW Review

1. External Review

If the outcome of the mandatory first level appeal is adverse to You and it was based on medical judgment, You may be eligible for an independent External Review pursuant to federal law.

You must submit Your request for External Review to the Claims Administrator within four (4) months of the notice of Your final internal adverse determination.

A request for an External Review must be in writing unless the Claims Administrator determines that it is not reasonable to require a written statement. You do not have to re-send the information that You submitted for internal appeal. However, You are encouraged to submit any additional information that You think is important for review.

- For pre-service claims involving urgent/concurrent care, You may proceed with an Expedited External Review without filing an internal appeal or while simultaneously pursuing an expedited appeal through the Claims Administrator's internal appeal process. You or Your authorized representative may request it orally or in writing. All necessary information, including the Claims Administrator's decision, can be sent between the Claims Administrator and You by telephone, facsimile or other similar method. To proceed with an Expedited External Review, You or Your authorized representative must contact the Claims Administrator at the number shown on Your identification card and provide at least the following information:
 - the identity of the claimant;
 - the date(s) of the medical service;
 - the specific medical condition or symptom;
 - the provider's name;
 - the service or supply for which approval of benefits was sought; and
 - any reasons why the appeal should be processed on a more expedited basis.

All other requests for External Review should be submitted in writing unless the Claims Administrator determines that it is not reasonable to require a written statement. Such requests should be submitted by You or Your authorized representative to:

Anthem Blue Cross and Blue Shield, ATTN: Appeals, P.O. Box 105568, Atlanta, Georgia 30348

You must include Your Member Identification Number when submitting an appeal.

This is not an additional step that You must take in order to fulfill Your appeal procedure obligations described above. Your decision to seek External Review will not affect Your rights to any other benefits under this health care plan. There is no charge for You to initiate an independent External Review. The External Review decision is final and binding on all parties except for any relief available through applicable state laws or ERISA.

2. UAW Appeal Process

Procedures will be developed at the local operations with respect to discussions between Company and Local Union representatives in regard to the status of benefit claims presented under the Insurance Program.

In the event that local procedures do not result in disposition of the claim, the Corporate Human Resources Department will furnish upon request of the Director of the UAW Heavy Truck Department any necessary information concerning the status of a claim upon which the question has arisen.

After the Corporate Human Resources Department has furnished information concerning the status of a claim, the Director of the UAW-Heavy Truck Department may request a meeting with representatives of the Company for the purpose of discussing any specified claims upon which questions remain. The date upon which such meetings are to be held will be determined by mutual agreement. All questions raised with respect to such claims will be based on the provisions of the Insurance Program, and the responses to such questions will be in accordance with such Program.

In the event the response of the Corporate Human Resources Department does not resolve the claim, and, in the opinion of the Union, the response violates any provision of the Insurance Program, the Union may request the appointment of an Impartial Arbitrator to hear and determine such dispute. Such Arbitrator will be the Permanent Arbitrator under the Master Agreements unless within thirty days after such request another person is selected by mutual agreement.

The Arbitrator shall make his decision in accordance with the applicable provisions of the Insurance Program and he shall have no authority to add to or subtract from or modify any of the terms of the Insurance Program, nor to change or add to any benefit provided by the Insurance Program, nor to waive or fail to apply any requirement of eligibility for a benefit under the Insurance Program.

No decision of an Arbitrator in one case shall create a basis for a retroactive adjustment in any other case prior to the date of written filing of such other claim.

There shall be no appeal from any ruling by the Arbitrator which is within his authority. Each such ruling shall be final and binding on the Union and its members, the employee or employees involved, and on the Company. Any case referred to the Arbitrator on which he has no authority to rule shall be referred back to the parties.

The Company and the Union shall bear equally the fees and expenses of the Arbitrator.

(g) Requirement to file an Appeal before filing a lawsuit

No lawsuit or legal action of any kind related to a benefit decision may be filed by You in a court of law or in any other forum, unless it is commenced within three years of the Plan's final decision on the claim or other request for benefits. If the Plan decides an appeal is untimely, the Plan's latest decision on the merits of the underlying claim or benefit request is the final decision date. You must exhaust the Plan's internal Appeals Procedure but not including any voluntary level of appeal, before filing a lawsuit or taking other legal action of any kind against the Plan. If Your health benefit plan is sponsored by Your employer and subject to the Employee Retirement Income Security Act of 1974 (ERISA) and Your appeal as described above results in an adverse benefit determination, You have a right to bring a civil action under Section 502(a) of ERISA.

SECTION 4 Claims Review Procedures and Appeals for Prescription Drugs (Medco/ExpressScripts)

A pre-service claim is a request for coverage of a medication when your plan requires you to obtain approval before a benefit will be payable. For example, a request for prior authorization is considered a pre-service claim. For these types of claims (unless urgent as described below) you will be notified of the decision not later than 15 days after receipt of a pre-service claim that is not an urgent care claim, provided you have submitted sufficient information to decide your claim. A Post-Service claim is a request for coverage or reimbursement when you have already received the medication. For post-service claims, you will be notified of the decision no later than 30 days after receipt of the post-service claim, as long as all needed information was provided with the claim.

If sufficient information to complete the review has not been provided, you will be notified that the claim is missing information within 15 days from receipt of your claim for pre-service and 30 days from receipt of your claim for post-service. You will have 45

days to provide the information. If all of the needed information is received within the 45-day time frame, you will be notified of the decision not later than 15 days after the later of receipt of the information or the end of that additional time period. If you don't provide the needed information within the 45-day period, your claim is considered "deemed" denied and you have the right to appeal as described below.

If your claim is denied, in whole or in part, the denial notice will include information to identify the claim involved, the specific reasons for the decision, the plan provisions on which the decision is based, a description of applicable internal and external review processes and contact information for an office of consumer assistance or ombudsman (if any) that might be available to assist you with the claims and appeals processes and any additional information needed to perfect your claim. You have the right to a full and fair impartial review of your claim. You have the right to review your file and the right to receive, upon request and at no charge, the information used to review your claim. If you are not satisfied with the decision on your claim (or your claim is deemed denied), you have the right to appeal as described below.

(a) Urgent Claims (Expedited Reviews)

An urgent care claim is defined as a request for treatment when, in the opinion of your attending provider, the application of the time periods for making non-urgent care determinations could seriously jeopardize your life or health or your ability to regain maximum function or would subject you to severe pain that cannot be adequately managed without the care or treatment that is the subject of your claim. In the case of a claim for coverage involving urgent care, you will be notified of the benefit determination within 72 hours of receipt of the claim provided there is sufficient information to decide the claim.

If the claim does not contain sufficient information to determine whether, or to what extent, benefits are covered, you will be notified within 24 hours after receipt of your claim that information is necessary to complete the claim. You will then have 48 hours to provide the information and will be notified of the decision within 48 hours of receipt of the information. If you don't provide the needed information within the 48-hour period, your claim is considered "deemed" denied and you have the right to appeal as described below.

If your claim is denied, in whole or in part, the denial notice will include information to identify the claim involved, the specific reasons for the decision, the plan provisions on which the decision is based, a description of applicable internal and external review processes and contact information for an office of consumer assistance or ombudsman (if any) that might be available to assist you with the claims and appeals processes and any additional information needed to perfect your claim. You have the right to a full and fair impartial review of your claim. You have the right to

review your file and the right to receive, upon request and at no charge, the information used to review your claim. If you are not satisfied with the decision on your claim (or your claim is deemed denied), you have the right to appeal as described below.

(b) Non-Urgent Appeal

If you are not satisfied with the decision regarding your benefit coverage or you receive an adverse benefit determination following a request for coverage of a prescription benefit claim (including a claim considered “deemed” denied because missing information was not timely submitted), you have the right to appeal the adverse benefit determination in writing within 180 days of receipt of notice of the initial coverage decision. An appeal may be initiated by you or your authorized representative (such as your physician).

To initiate an appeal for coverage, provide in writing:

- your name
- member ID
- phone number
- the prescription drug for which benefit coverage has been denied and
- any additional information that may be relevant to your appeal

This information should be mailed to:
Medco Health Solutions, Inc.,
Attn: Appeals
PO Box 631850
Irving, TX 75063-0030

A decision regarding your appeal will be sent to you within 15 days of receipt of your written request for pre-service claims or 30 days of receipt of your written request for post-service claims. If your appeal is denied, the denial notice will include information to identify the claim involved, the specific reasons for the decision, the plan provisions on which the decision is based, a description of applicable internal and external review processes and contact information for an office of consumer assistance or ombudsman (if any) that might be available to assist you with the claims and appeals processes and any additional information needed to perfect your claim. You have the right to a full and fair impartial review of your claim. You have the right to review your file and the right to receive, upon request and at no charge, the information used to review your appeal. You also have the right to request the

diagnosis code and treatment code and their corresponding meanings which will be provided to you if available (i.e., if the information was submitted, relied upon, considered or generated in connection with the determination of your claim).

If you are not satisfied with the coverage decision made on your appeal, you may request in writing, within 90 days of the receipt of notice of the decision, a second level appeal. A second level appeal may be initiated by you or your authorized representative (such as your physician). To initiate a second level appeal, provide in writing:

- your name
- member ID
- phone number
- the prescription drug for which benefit coverage has been denied
- any additional information that may be relevant to your appeal

This information should be mailed to:

Medco Health Solutions, Inc.
Attn: Appeals
PO Box 631850
Irving, TX 75063-0030

A decision regarding your request will be sent to you in writing within 15 days of receipt of your written request for pre-service claims or 30 days of receipt of your written request for post-service claims. If the appeal is denied, the denial notice will include information to identify the claim involved, the specific reasons for the decision, new or additional evidence, if any considered by the plan in relation to your appeal, the plan provisions on which the decision is based, a description of applicable external review processes and contact information for an office of consumer assistance or ombudsman (if any) that might be available to assist you with the claims and appeals processes. You have the right to a full and fair impartial review of your claim. You have the right to review your file, the right to receive, upon request and at no charge, the information used to review your second level appeal, and present evidence and testimony as part of your appeal. You also have the right to request the diagnosis code and treatment code and their corresponding meanings which will be provided to you if available (i.e., if the information was submitted, relied upon, considered or generated in connection with the determination of your claim). If new information is received and considered or relied upon in the review of your second level appeal, such information will be provided to you together with an

opportunity to respond prior to issuance to any final adverse determination of this appeal. The decision made on your second level appeal is final and binding.

If your second level appeal is denied and you are not satisfied with the decision of the second level appeal (i.e., your “final adverse benefit determination”) or your initial benefit denial notice or any appeal denial notice (i.e., any “adverse benefit determination notice” or “final adverse benefit determination”) does not contain all of the information required under the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), you have the right to bring a civil action under ERISA section 502(a).

In addition, for cases involving medical judgment or rescission, if your second level appeal is denied and you are not satisfied with the decision of the second level appeal (i.e., your “final adverse benefit determination”) or your initial benefit denial notice or any appeal denial notice (i.e., any “adverse benefit determination notice” or “final adverse benefit determination”) does not contain all of the information required under the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), you have the right to an independent review by an external review organization. Details about the process to appeal your claim and initiate an external review will be described in any notice of an adverse benefit determination and are also described below. The right to an independent external review is only available for claims involving medical judgment or rescission. For example, claims based purely on the terms of the plan (e.g., plan only covers a quantity of 30 tablets with no exceptions), generally would not qualify as a medical judgment claim.

(c) Urgent Appeal (Expedited Review)

You have the right to request an urgent appeal of an adverse benefit determination (including a claim considered denied because missing information was not timely submitted) if your situation is urgent. An urgent situation is one where in the opinion of your attending provider, the application of the time periods for making non-urgent care determinations could seriously jeopardize your life or health or your ability to regain maximum function or would subject you to severe pain that cannot be adequately managed without the care or treatment that is the subject of your claim. To initiate an urgent claim or appeal request, you or your physician (or other authorized representative) must call 1 800-753-2851 or fax the request to 1 888 235-8551. Claims and appeals submitted by mail will not be considered for urgent processing unless and until you call or fax and request that your claim or appeal be considered for urgent processing. In the case of an urgent appeal (for coverage involving urgent care), you will be notified of the benefit determination within 72 hours of receipt of the claim. If the appeal is denied, the denial notice will include information to identify the claim involved, the specific reasons for the decision, new

or additional evidence, if any considered by the plan in relation to your appeal, the plan provisions on which the decision is based, a description of applicable external review processes and contact information for an office of consumer assistance or ombudsman (if any) that might be available to assist you with the claims and appeals processes. You have the right to a full and fair impartial review of your claim. You have the right to review your file, the right to receive, upon request and at no charge, the information used to review your appeal, and present evidence and testimony as part of your appeal. You also have the right to request the diagnosis code and treatment code and their corresponding meanings which will be provided to you if available (i.e., if the information was submitted, relied upon, considered or generated in connection with the determination of your claim). If new information is received and considered or relied upon in the review of your appeal, such information will be provided to you together with an opportunity to respond prior to issuance of any final adverse determination. The decision made on your urgent appeal is final and binding. In the urgent care situation, there is only one level of Appeal prior to an external review.

If your appeal is denied and you are not satisfied with the decision of the appeal (i.e., your “final adverse benefit determination”) or any appeal denial notice (i.e., “adverse benefit determination notice” or “final adverse benefit determination”) does not contain all of the information required under the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), you have the right to bring a civil action under ERISA section 502(a).

In addition, for cases involving medical judgment or rescission, if your appeal is denied and you are not satisfied with the decision (i.e., your “final adverse benefit determination”) or your initial benefit denial notice or any appeal denial notice (i.e., your “adverse benefit determination” or “final adverse benefit determination”) does not contain all of the information required under the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), you have the right to an independent review by an external review organization.

In addition, in urgent situations where the appropriate timeframe for making a non-urgent care determination would seriously jeopardize your life or health or your ability to regain maximum function, you also have the right to immediately request an urgent (expedited) external review, rather than waiting until the internal appeal process, described above, has been exhausted, provided you file your request for an internal appeal of the adverse benefit determination at the same time you request the independent external review. If you are not satisfied or you do not agree with the determination of the external review organization, you have the right to bring a civil action under ERISA section 502(a).

Details about the process to appeal your claim and initiate an external review will be described in any notice of an adverse benefit determination and are also described below. The right to an independent external review is only available for claims involving medical judgment or rescission. For example, claims based purely on the terms of the plan (e.g., plan only covers a quantity of 30 tablets with no exceptions), generally would not qualify as a medical judgment claim.

(d) External Review Procedures

The right to an independent external review is only available for claims involving medical judgment or rescission. For example, claims based purely on the terms of the plan (e.g., plan only covers a quantity of 30 tablets with no exceptions), generally would not qualify as a medical judgment claim. You can request an external review by an Independent Review Organization (IRO) as an additional level of appeal prior to, or instead of, filing a civil action with respect to your claim under Section 502(a) of ERISA. Generally, to be eligible for an independent external review, you must exhaust the internal plan claim review process described above, unless your claim and appeals were not reviewed in accordance with all of the legal requirements relating to pharmacy benefit claims and appeals or your appeal is urgent. In the case of an urgent appeal, you can submit your appeal in accordance with the above process and also request an external independent review at the same time, alternatively, you can submit your urgent appeal for the external independent review after you have completed the internal appeal process.

To file for an independent external review, your external review request must be received within 4 months of the date of the adverse benefit determination (If the date that is four months from that date is a Saturday, Sunday or holiday, the deadline is the next business day).

Your request should be mailed or faxed to:

Medco Health Solutions, Inc.
Attn: External Review Requests
P.O. Box 631850
Irving TX 75063-0030
Phone: 1 800 753 2851
Fax: 1 888 235 8551

(e) Non-Urgent External Review

Once you have submitted your external review request, your claim will be reviewed within 5 business days to determine if it is eligible to be forwarded to an Independent Review Organization (IRO) and you will be notified within 1 business day of the decision.

If your request is eligible to be forwarded to an IRO, your request will randomly be assigned to an IRO and your appeal information will be compiled and sent to the IRO within 5 business days. The IRO will notify you in writing that it has received the request for an external review and if the IRO has determined that your claim involves medical judgment or rescission, the letter will describe your right to submit additional information within 10 business days for consideration to the IRO. Any additional information you submit to the IRO will also be sent back to the claims administrator for reconsideration. The IRO will review your claim within 45 calendar days and send you, the plan and Medco written notice of its decision. If you are not satisfied or you do not agree with the decision, you have the right to bring civil action under ERISA section 502(a). If the IRO has determined that your claim does not involve medical judgment or rescission, the IRO will notify you in writing that your claim is ineligible for a full external review and you have the right to bring civil action under ERISA section 502(a).

(f) Urgent External Review

Once you have submitted your urgent external review request, your claim will immediately be reviewed to determine if you are eligible for an urgent external review. An urgent situation is one where in the opinion of your attending provider, the application of the time periods for making non-urgent care determinations could seriously jeopardize your life or health or your ability to regain maximum function or would subject you to severe pain that cannot be adequately managed without the care or treatment that is the subject of your claim.

If you are eligible for urgent processing, your claim will immediately be reviewed to determine if your request is eligible to be forwarded to an IRO, and you will be notified of the decision. If your request is eligible to be forwarded to an IRO, your request will randomly be assigned to an IRO and your appeal information will be compiled and sent to the IRO. The IRO will review your claim within 72 hours and send you, the plan and Medco written notice of its decision. If you are not satisfied or you do not agree with the decision, you have the right to bring civil action under ERISA section 502(a).

SECTION 5 Health Care Coverage under the Uniformed Services Employment and Reemployment Rights Act of 1994

As provided by the Uniformed Services Employment and Reemployment Act of 1994, you and your dependents have the right to continue your group health benefits – including medical, prescription drug, dental and vision coverage – if you are on military leave of absence.

For the first 31 days of your military leave, your cost for coverage will be equal to the rate paid by active employees. If your military service lasts longer than 31 day the Company will subsidize the cost of COBRA benefits for two months, reducing the cost to the same level active employees pay. After two months, your cost will be 102% of the Company's cost. This period of coverage will count towards your COBRA allotment of 24 months if you do not return to work.

Please contact the HR Services Center for information about the coverage available under the Uniformed Services Employment and Reemployment Rights Act of 1994.

SECTION 6 About your Privacy

HIPAA imposes numerous requirements on employer health plans concerning the use and disclosure of individual health information. This information, known as protected health information, or PHI, includes virtually all identifiable health information held by any health plan including the medical, prescription drug, dental and vision plans and the EAP – whether received in writing, in electronic medium, or as on oral communication. Mack has implemented policies and practices to appropriately protect the privacy of your protected health information. PHI that you provide will be handled in accordance with the Mack/Volvo HIPAA Privacy Policy.

SECTION 7 Plan Administrative Information

The Company is the Plan Administrator and is responsible for the general administration of the Plans and for carrying out the provisions thereof. The Plan delegates discretionary authority to the Plan Administrator to interpret the Plan on all issues of coverage and operation.

The Company is the named fiduciary with respect to the Plans and may delegate to various officers, employees and committees of the Company authority, as well as the right of delegation, to carry out such of its responsibilities as it deems proper to the extent permitted by the Employee Retirement Income Security Act of 1974 as now in effect or as hereafter amended.

Plan Name

The official plan document covering the plans in Appendix B is the Volvo Welfare Benefits Plan. Appendix B of the UAW Benefits Agreement highlights the welfare benefits for the active employees of Mack Trucks, Inc. or other UAW facilities covered under the Mack Master Agreement.

Plan Type

This plan is a welfare benefits plan.

Plan Sponsor and Plan Administrator

Mack Trucks, Inc.
7900 National Service Road
Greensboro, NC 27409

Employer Identification Number

22-1582040

Plan Number

506

Plan Year

January 1 through December 31

Claims Administrators

Multiple claim administrators provide services to benefits covered under Appendix B.

Anthem Blue Cross Blue Shield (PPO and Vision Plans)

P.O. Box 105187
Atlanta, GA 303348-5187
Phone: 1-844-855-1942

Medco/Express Scripts (Prescription Drug Plan)

One Express Way
St. Louis, MO 63121
Phone: 1-866-467-1239

Keystone Health Plan Central (HMO Plan)

A Subsidiary of Capital BlueCross
2500 Elmerton Avenue
Harrisburg, PA 17110
Phone: 1-866-683-2242

United Concordia Companies, Inc. (Dental Plan)

P.O. Box 890400
Camp Hill, PA 17089-0400
Phone: 1-800-226-6000

Integrated Behavioral Health (Mental Health Plan)

P.O. Box 30018
Laguna Niguel, CA 92607
Phone: 1-800-395-1616

The Prudential Insurance Company of America (Life Insurance and AD&D Plan)
751 Broad Street
Newark, New Jersey, 07102
Phone: 1-800-524-0542

The Hartford Life and Accident Company (LTD Plan)
200 Hopmeadow Street
Simsbury, CT 06089
Phone: 1-800-915-1153

Conexis (COBRA Administration)
PO Box 226101
Dallas, TX 75222-6101

Agent for Legal Process
Mack Trucks, Inc.
7900 National Service Road
Greensboro, NC 27409

SECTION 8 Your Rights Under ERISA

As a participant in the Mack Welfare Benefits Plan for the UAW Employees covered under the Mack Master Agreement, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that all plan participants shall be entitled to:

- Examine, without charge, at the Plan Administrator's office and at other specified locations, all documents governing the Plan, including insurance contracts and all documents filed by the Plan with the U.S. Department of Labor, such copies of the latest annual report (Form 5500 Series) and plan descriptions.
- Obtain, upon written request to the Plan Administrator, copies of documents governing the operation of the Plan, including insurance contracts and copies of the latest annual report (Form 5500 Series). The Plan Administrator may make a reasonable charge for the copies.
- Receive a summary of the Plan's annual financial report. Volvo is required by law to furnish each participant with a copy of this summary annual report.
- Continue health care coverage for yourself, your spouse or your dependents if there is a loss of coverage under the Plan as a result of a qualifying event. You or your dependents may have to pay for such coverage. Review this Summary Plan Description and the documents governing the Plan on the rules governing your COBRA continuation coverage rights.
- Reduction or elimination of exclusionary periods of coverage for preexisting conditions under the Plan if you have creditable coverage from another plan. You should be provided a certificate of creditable coverage, free of charge, from the Plan or health insurance issuer when you lose coverage under the Plan, when you become entitled to elect COBRA continuation coverage, when your COBRA continuation coverage ceases, if you request it before losing coverage, or if you request it up to 24 months after losing coverage. Without evidence of creditable coverage, you may be subject to a preexisting condition exclusion for 12 months (18 months for late enrollees) after your enrollment date in your coverage.

In addition to creating rights for plan participants, ERISA imposes duties upon the individuals who are responsible for the operation of the employee benefit plan. The individuals who operate your plan, called "fiduciaries" of the plan, have a duty to do so prudently and in the interest of you and other plan participants and beneficiaries. No one, including Mack, the union or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a welfare benefit or exercising your rights under ERISA.

If your claim for a welfare benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial within certain time schedules.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of plan documents or the latest annual report from the plan and do not receive them within 30 days, you may file suit in a federal court. In such a case, the court may require Volvo to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of Volvo. If you have a claim for benefits, which is denied or ignored, in whole or in part, you may file suit in a state or federal court. In addition, if you disagree with the plan's decision or lack thereof concerning the qualified status of a medical child support order, you may file suit in Federal court. If it should happen that plan fiduciaries misuse the plan's money or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor or may file suit in a federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees; for example, if it finds your claim is frivolous.

If you have any questions about your plan, you should contact the Plan Administrator. If you have any questions about this statement of your rights under ERISA, or if you need assistance in obtaining documents from the Plan Administrator, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory, or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington D.C., 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

SECTION 9 Letters of Understanding

LETTER # 1

Reissued: October 25, 2019

Mr. **John Eblin**

Assistant Director

UAW Heavy Truck Department, Solidarity House

8000 East Jefferson Avenue

Detroit, Michigan 48214

Dear Mr. **Eblin**:

The Company and the Union agree to revise the psychiatric and substance abuse benefits to comply with the federal Mental Health Parity Act when the law mandates these changes and to implement a managed psychiatric substance abuse program which provides quality psychiatric, substance abuse services at reasonable rates through direct contracting with a limited network of quality providers. Components of the program will include the following:

Inpatient (includes hospital, day/night programs, halfway houses, detox facilities, etc.) and outpatient closed panel of psychiatric and substance abuse professionals including psychiatrists, Ph.D. psychologists, masters degrees and licensed psychiatric social workers.

Enhanced outpatient benefits when network providers are used and care is coordinated by the Claims Administrator.

Patients will not have to complete any claim forms when network providers are used and care is coordinated by the Claims Administrator.

Network providers accept Plan payment as payment in full for covered services, except for any required employee copays when care is coordinated by the Claims Administrator.

EAP integrated with network providers and administrator.

Employees have choice of using network or non-network providers at any time.

When care is coordinated by the Claims Administrator, the employee receives the highest level of benefits described below. When care is not coordinated by the Claims Administrator, a lower level of benefits is provided as described below.

An experienced psychiatric and substance abuse management organization will be selected by the Company and the Union to perform provider recruitment, contracting and claims payment.

The Company and Union will review the Claims Administrator's systems/processes for quality assurance, credentialing, grievance and complaint procedures, utilization review and those other systems/processes deemed appropriate.

Benefits to be provided will be as follows:

	Coordinated	Not Coordinated
Inpatient:		
Plan Payment	100%	50% of allowable (network) rate, up to 30 days per calendar year.
Outpatient:		
Plan Payment	100%	50% of allowable rate
Copayment	\$10 per visit	None
Number of Visits	60 visits per calendar year	30 visits per calendar year

Any referrals by a network provider to a non-network provider will be covered at 100% (less any applicable co-payments).

Emergency services will be covered at the "Coordinated" care level provided the Claims Administrator is notified within 48 hours or the first business day if the treatment occurs on a weekend.

Very truly yours,

D. William Waters, Jr.
Director, Employee & Labor Relations

LETTER #2

Reissued: October 25, 2019

Mr. **John Eblin**

Assistant Director

UAW Heavy Truck Department, Solidarity House

8000 East Jefferson Avenue

Detroit, Michigan 48214

Dear Mr. **Eblin**:

Mack and the UAW have long recognized the major problems we jointly confront with the U.S. health care system. The Company and the UAW share a serious concern about the high cost of the health care system and the large number of uninsured. The high cost of health expenditures diverts corporate funds from other business priorities that will enable Mack to compete more effectively in the market place. Despite the Company's and UAW's efforts to manage our health care programs offered to members of our Mack family, Company health care costs have continued to increase at unacceptable rates. Indeed, the increasing amount of national resources allocated to health care, at the expense of other national priorities, adversely impacts the nation's ability to compete with other industrialized countries. Both Mack and the UAW share the common objective for a high quality health care delivery system within our nation that is accessible to all and which functions in a cost effective manner. In this regard, Mack and the UAW jointly agree to support approaches directed towards achieving prompt and lasting private sector and national policy solutions which will assure high quality care to all individuals. Such approaches should include strong cost containment, equitable financing, and appropriate quality assurance mechanisms.

Very truly yours,

D.William Waters, Jr.

Director, Employee & Labor Relations

LETTER #3

Reissued: October 25, 2019

Mr. **John Eblin**

Assistant Director

UAW Heavy Truck Department, Solidarity House

8000 East Jefferson Avenue

Detroit, Michigan 48214

Dear Mr. **Eblin**:

During the 1984 negotiations, the Company agreed to implement Voluntary Family Life Insurance on or before April 1, 1985 at no cost to the Company.

An employee who is actively at work within the bargaining unit on the enrollment date will have the option to enroll.

An open enrollment period will be held once a calendar year for employees.

Very truly yours,

D. William Waters, Jr.

Director, Employee & Labor Relations

APPENDIX C

SUPPLEMENTAL UNEMPLOYMENT BENEFIT PLAN

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I		<u>Regular Weekly Benefits</u>	
	1	<u>Eligibility for a Regular Weekly Benefit</u>	
	2	<u>Amount of Regular Weekly Benefits</u>	
	3	<u>Duration of Regular Weekly Benefits</u>	
		<u>Transitioning to a Regular Weekly Benefit Level Duration</u>	
II		<u>Short Work Week Benefits</u>	
	1	<u>Eligibility for a Short Work Week Benefit</u>	
	2	<u>Amount of Short Work Week Benefit</u>	
III		<u>Benefit Determinations</u>	
	1	<u>Compensated and Available Hours</u>	
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APPENDIX C
SUPPLEMENTAL UNEMPLOYMENT BENEFIT
PLAN AGREEMENT

This Agreement shall become effective on October 25, 2019.

ARTICLE I

Regular Weekly Benefits

SECTION 1 Eligibility for a Regular Weekly Benefit

An employee having one (1) or more years of seniority at time of layoff shall be entitled to a Regular **Weekly** Benefit if he:

- (a) was on a qualifying layoff, as described in Article III, Section 2 , for all or part of a week; or
- (b) Was eligible for a Reinstated Accident and Sickness benefit under Appendix B.
- (c) was not eligible for a Short **Work** Week Benefit.

SECTION 2 Amount of Regular Weekly Benefits

- (a) An eligible employee shall receive \$330.00 for any **qualifying w** week beginning on or after October 2, 2019.
- (b) An eligible employee entitled to a reduced **Regular Weekly** Benefit because of ineligibility as provided in Article III, Section 2(b) with respect to part of the w week, shall receive 1/5 of a Regular **Weekly** Benefit for each eligible workday.

SECTION 3 Duration of Regular Weekly Benefits

- (a) Employees hired prior to March 25, 2013 will receive – **Regular Weekly** Benefits in the amount set forth in **Article I**, Section 2 (a) based on the following table:

<u>Seniority at Layoff</u>	<u>Maximum Number of Regular Weekly Benefits</u>
3 to 10 years	26
10 or more years	52

- (b) Employees hired prior to March 25, 2013 who are subsequently laid off will upon recall to work begin to regenerate their Regular Weekly Benefits (26 or 52 weeks as the case may be) on the basis of one (1) week of Regular Weekly Benefit for every one (1) full week of work up to their maximum number of eligible weeks as provided in section (a) above. A full week of work shall be defined as having worked or been paid forty (40) hours during a work week to include daily and weekend overtime hours worked and credit for hours paid under the Agreement for Jury Duty, Bereavement, Vacation, Holidays, or Military Leave training.
- (c) Employees with one (1) years of seniority who were hired on or after March 25, 2013 who are subsequently laid off will receive Regular Weekly Benefits in the amount set forth in Article I, Section 2 (a) of up to a total maximum number of thirteen (13) weeks over the duration of the Agreement. Such employees will upon recall to work begin to regenerate Regular Weekly Benefits on the basis of one (1) week of Regular Weekly Benefit for every one (1) full week of work up to thirteen (13) weeks. A full week of work shall be defined as having worked or been paid forty (40) hours during a work week to include daily and weekend overtime hours worked and credit for hours paid under the Agreement for Jury Duty, Bereavement, Vacation, Holidays, or Military Leave training.

SECTION 4 Transitioning to a Regular Weekly Benefit Duration Level

An eligible employee who, by virtue of his length of seniority, transitions to the 26 weeks or 52 weeks Regular Weekly Benefits duration levels while on layoff, shall only become eligible for such newly acquired benefits duration level upon recall to active work.

ARTICLE II

Short Work Week Benefits

SECTION 1 Eligibility for a Short Work Week Benefit

An employee having one (1) or more years of seniority shall **be entitled to a Short Work** Week Benefit if:

- (a) during such w week he had less than 40 Compensated or Available Hours as defined in Article III, Section 1 of this Agreement, and
 - (i) (a) he performed some work for the Company; ;or

for such week he received some jury duty pay, bereavement pay, military pay or vacation pay (excluding pay in lieu of vacation) from the Company, or
 - (ii) for such week, he received only holiday pay from the Company and, for the immediately preceding w week , he either received a Short Work Week Benefit or had 40 or more Compensated or Available Hours;
- (b) he was on a qualifying layoff, as described in Article III Section 2 - for some part of the w week

SECTION 2 Amount of Short Work Week Benefit

- (a) The Short Work Week Benefit shall be an amount equal to the product of the number by which 40 exceeds his Compensated or Available Hours (as defined in Article III, Section 1 of this Agreement) computed to the nearest tenth per hour, multiplied by his base hourly rate (excludes all premiums) at time of layoff, with the result multiplied by eighty percent (80%).

ARTICLE III

Benefit Determinations

SECTION 1 Compensated and Available Hours

For purposes of determining a benefit, an employee's Compensated or Available Hours during a week shall be calculated to include:

- (a) All hours for which an employee receives pay from the Company during the week, including Holiday Pay, Bereavement Pay, Jury Duty/Witness Pay, Incidental Sick Pay, Military Leave Pay or Vacation Pay (excluding pay in lieu of vacation), with each hour paid at a premium rate to be counted as 1 hour, and

- (b) All hours scheduled or made available to the employee by the Company but not worked by him (after having been given reasonable notice).
- (c) Overtime which is worked or available during the week which is in excess of six (6) hours will not be included in determining compensated or available hours.

Example: Employee A earns \$25.00 per hour. He performs eight (8) hours of work on Monday, Tuesday and Wednesday. He reports off on Thursday. No work is available on Friday. Eight (8) hours of overtime is performed on Saturday.

Calculation:

<u>24</u>	<u>Compensated Hours (M, T, W)</u>	
<u>8</u>	<u>Available Hours (Th)</u>	
<u>6</u>	<u>Hours of Overtime Worked or Available (S)</u>	
<u>38</u>	<u>Total Compensated and Available Hours for the Week</u>	
<u>2</u>	<u>Eligible Hours for SWW Benefits (40hrs – 38hrs)</u>	-
	<u>2hrs x \$25 = \$50</u>	
	<u>\$50 x 80% = \$40.00 SWW Benefit for Friday</u>	

SECTION 2 Qualified Conditions of Layoff

- (a) A layoff for the purposes of this Agreement includes any layoff resulting from a reduction in force or temporary layoff, or from the discontinuance of a plant or operation, and any layoff occurring or continuing because the employee was unable to do the work offered by the Company although able to perform other work in the plant to which he would have been entitled if he had had sufficient seniority.
- (b) An employee's layoff for all or part of any week will be deemed qualifying for a Regular Weekly Benefit or a Short Work Week Benefit only if:

(1) such layoff or absence from work was not the consequence or result of:

(i) disciplinary suspensions or discharge, or

(ii) any strike, slowdown, work stoppage, picketing (whether or not by employees), or concerted action, at a Company facility or plants, or any dispute of any kind involving employees or other persons employed by the Company and represented by the Union whether at a Company facility, or elsewhere, or

(ii) any fault attributable to the employee , or

(iii) any war or hostile act of a foreign power (but not government regulation or controls connected therewith), or

(iv) sabotage or insurrection, or

(v) any act of God, or,

(vii) any refusal by the employee to accept available work when recalled pursuant to the Agreement.

(2) with respect to such week the employee was not eligible for and was not claiming:

(i) Company provided accident or sickness or Workers Compensation Benefits, or

(ii) any Company pension or retirement benefit;

(3) with respect to such Week the employee was not in military service (other than short-term active duty or training of 30 days or less) or on a military leave greater than 30 days.

(c) An eligible employee who is on a qualifying layoff and who is ordered for short-term active duty of 30 days or less in a National Guard, Reserve or similar unit due to:

(iii) training: will be deemed to be on a qualifying layoff for not more than two (2) weeks of Regular Weekly Benefits in a calendar year, or

(iv) a State or National emergency: will be deemed to be on a qualifying layoff for not more than four (4) weeks of Regular Weekly Benefits in a calendar year.

(d) An eligible employee who is determined to be ineligible for a benefit for some part of a week due to the reasons listed in Section (b) above but who is otherwise eligible for some benefit for a part of the same week, shall be entitled to a reduced Benefit of 1/5 of a Regular Weekly Benefit for each regular workday (M – F) of eligibility during such week as provided in Article I, Section 2 (b).

SECTION 3

Acts of God

With respect to any layoff that results from an act of God, **and the denial or reduction of either Regular Weekly Benefits or Short Work Week Benefits**, the Company will give written notice to the Local **Union Chairman**. **The written notice will be provided** no later than the end of the week following the **layoff and will** show the reason or reasons for such **denial or reduction of Regular Weekly Benefits or Short Work Week Benefits**, and an explanation of the incident which caused the Company to determine that the layoff was the result of an act of God. **For purposes of this Section, an act of God** means an occurrence or circumstance directly affecting a Company facility or facilities which results from natural causes exclusively and is in no sense attributable to human negligence, influence, intervention or control

SECTION 4

Benefit Overpayments

If the Company determines that any benefit(s) paid under **this Agreement** should not have been paid or should have been paid in a lesser amount, he shall return the amount of overpayment to the Company. However, no repayment shall be required if the cumulative overpayment is **\$10** or less or if notice has not been given within 120 days from the date the overpayment was established or created; If the employee shall fail to return such amount promptly, the Company shall make a deduction from any future benefits (not to exceed \$20 from any one benefit **payment** except in cases of fraud or willful misrepresentation) otherwise payable to such employee, or make a deduction from compensation payable by the Company to such employee (not to exceed **\$50** from any one paycheck except in cases of fraud or willful misrepresentation), or both. The Company is authorized to make such deduction from the employee 's compensation.

SECTION 5

Deduction of Union Dues

The Company, upon authorization from an employee, shall deduct monthly Union dues from Regular Weekly Benefits paid under this Agreement and pay such sums directly to the Union in his behalf.

ARTICLE IV

Administration

SECTION 1

Authority of the Company

The Company shall have authority as is necessary and appropriate in order to carry out its duties under **this Agreement**, including, without limitation, the following:

- (1) to investigate the correctness and validity of information furnished with respect to **the eligibility and amount of a benefit**;
- (2) to make initial determinations with respect to **benefits**;
- (3) to establish reasonable rules, regulations and procedures;
- (4) to establish and maintain necessary records; and
- (5) to prepare and distribute information explaining **this Agreement**

Any dispute as to the application of the provisions of this Appendix are subject to the grievance procedure contained in Article 5 of the Master Agreement.

APPENDIX D
TRANSFER TO OTHER LOCATIONS
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2	Transfers to New or Existing Locations	245
3	Relocation Allowance	247
4	Relocation Allowance Amount	247
5	Conditions Affecting Allowance Amount	247

APPENDIX D

TRANSFER TO OTHER LOCATIONS

SECTION 1 Restatement of the Plan

Set forth in this Appendix D are the terms and conditions governing the transfer of employees to other plant, office, engineering, or parts distribution center locations. It is specifically understood that transfer under these provisions refers to transfer of work on or after the effective date of this Agreement from a plant, office, engineering or parts distribution center location covered by the Agreement.

SECTION 2 Transfers to New or Existing Locations

The terms of this Section 2 shall govern inter-location transfers (i.e., transfers between plants, offices, engineering, or parts distribution center locations operated by the Company and covered by the Agreement). The plant, office, engineering, or parts distribution center location operated by the Company and covered by the Agreement, from which work is transferred, shall hereinafter be referred to as the "old location". The plant, office, engineering, or parts distribution center location to which work is to be transferred shall hereinafter be referred to as the "new location ".

In the event of a transfer of one or more operations from an old location to a new location, the employees affected by such transfer shall have the right to transfer to the new location with the transferred work. However, the number of employees transferring shall not exceed the number of employees required to perform the work of the transferred operations at the new location. The classifications and the rates for such classifications in effect at the new location shall be applicable to the transferred work. In the event there are no classifications at the new location applicable to the transferred work, appropriate classifications and rates of pay shall be agreed upon between the Local Union and the Company at the new location. The parties shall use the framework of the classification and rate system of the new location, pursuant to Article 16, Section 55 of the Agreement. Upon transfer, the employee accepting such transfer waives all recall rights to the old location, and shall carry to the new location full old location seniority. The employee's old location seniority shall be used for all affected contractual benefits.

Since each transfer of operations between Company locations is likely to be unique, the Company and the International Union and the affected Local Unions will meet promptly, pending transfer of work between such locations, to determine among other things:

1. The number of employees to be transferred
2. The method of canvassing and the employees to be canvassed in the old location

- (a) who are working on the jobs to be transferred and
 - (b) who possess the necessary qualifications (as defined in the applicable Local Supplemental Agreement) in seniority order in the jobs affected by the transfer, including such employees on layoff.
3. The number of employees, if any, in the new location who are on layoff but:
- (a) have seniority in the classifications affected by the transfer of work and
 - (b) have recall rights to such classifications and
 - (c) have more seniority than the canvassed employees at the old location who have indicated a desire to transfer.
4. The mechanics of the actual transfer of work from the old location to the new location, taking into consideration the following:
- (a) any problems of phasing out the work in the old location,
 - (b) deviations from seniority in conjunction with the transfer required by the Company,
 - (c) the desires of the employees by seniority preference on the timing of their individual transfer to the new location.

Details as to the application of the principles set forth above as related to any particular transfer shall be the subject of discussion between the Company and the International Union and the Local Unions directly affected.

While it is the desire of the parties to reach mutual agreement on the application of the terms of Appendix D to the particular transfer involved, failure to reach agreement on such application or delay in reaching such agreement shall not serve to delay the transfer of such work and the Company shall not be subject to any back pay or retroactive monetary liability under the grievance procedure or otherwise as the result of going forward with such transfer. This provision shall not operate, however, to prevent corrections from being made through the grievance procedure of the application of the principles agreed upon herein or agreements reached hereunder.

Nothing in the preceding language shall negate the application of the Master Recall List provisions of Article 6.

SECTION 3 Relocation Allowance

An employee who is transferred from one Company location to another, pursuant to Section 2 of this Appendix D, will promptly be paid a relocation allowance, provided:

- (a) The location to which the employee is to be relocated is at least fifty (50) miles from the location from which the employee was transferred, and
- (b) As a result of such relocation, the employee changes permanent residence, and
- (c) The employee makes application within six (6) months after commencement of employment at the new location.

SECTION 4 Relocation Allowance Amount

The amount of relocation allowance for employees transferred on or after the effective date of this Agreement will be determined as follows:

Miles Between Plants	Single Employees	Married Employees
50 - 99	\$ 1,600	\$3,200
100 - 299	\$1,800	\$3,600
300 - 499	\$1,900	\$3,800
500 & over	\$3,000	\$6,000

SECTION 5 Conditions Affecting Allowance Amount

- (a) An employee's relocation allowance, when combined with any present or future federal or state relocation allowance or its equivalent, shall not exceed the maximum amount of the relocation allowance provided for under Section 4 above.
- (b) Only one relocation allowance will be paid where two or more members of a family living in the same residence are relocated pursuant to this Appendix D.
- (c) Employees who are single parents with dependents (as defined by IRS regulations) will be eligible to receive the married relocation amount provided the dependents are residing with the single parent at the time of the relocation.

APPENDIX E
MACK-UAW PROFIT SHARING PLAN
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B	Formula for Fund Development	249
C	Other Understandings	250

MACK - UAW Profit Sharing Plan

A. Duration and Eligibility

1. The Plan is effective January 1, 2012.
2. The Plan shall remain in effect through the duration of the October 25, 2019 Master Agreement, including any extensions of the contract.
3. Seniority employee members of UAW local unions hired prior to the effective date of this Agreement and covered by the Agreement are participants in the Profit Sharing Plan provided:
 - (a) such employee worked during a Plan year, and
 - (b) such employee was neither discharged nor quit prior to the end of the applicable Plan year.
4. Employees hired or rehired after the effective date of this Agreement will become participants in the Profit Sharing Plan on the first day of the first Plan year after attainment of one year of seniority and will be subject to the eligibility provisions of A. 3. a) and b) above. For example, an employee hired on July 1, 2012 who works continuously through the 90 day probationary period and obtains one year of seniority on July 1, 2013, will become eligible to participate in the Profit Sharing Plan on January 1, 2014 with any earned payout payable on April 30, 2015.
5. Employees who quit and are rehired in the same plan year will be credited for all hours worked in the Plan year.
6. Discharged employees, if reinstated, will receive credit for all hours for which back pay is awarded, plus all hours worked during the Plan year.
7. In the event an otherwise eligible employee dies during a Plan year, his profit sharing benefit shall be paid to the person designated as his beneficiary under the Company's Group Life Insurance Plan.
8. Employees who retire during the Plan year receive credit for all hours worked in that Plan year.

B. Formula for Fund Development.

1. The basis for which this Plan is funded is the return of shareholders' equity (ROE) percentage of the AB Volvo Group as published in its annual report. (For example, the 2010 ROE was 16%). The AB Volvo Group's ROE percentage calculation is defined as Income for the period divided by average shareholders' equity. If the AB Volvo Group does not publish a ROE percentage in its annual

report, the Company will calculate the ROE percentage using the definition above and forward the details of the calculation to the UAW.

2. Size of the profit sharing fund will be determined as follow:

- a. Based on the ROE percentage calculated in item B 1. above a profit sharing funding per bargaining unit employee will be determined based on the table below.
- b. The total profit sharing fund will then be calculated by multiplying the profit sharing funding per bargaining unit employee from the table below by the total annual average number of bargaining unit employees. Such average shall be the total of all bargaining unit employees on the last day of each month in the year divided by twelve (12).
- c. In determining the total of bargaining unit employees, the following guidelines shall apply:
 - i) All bargaining unit employees actively at work or on vacation, but excluding employees on leaves of absence, are included.
 - ii) Employees who are on sick leave or personal business and do not have hours worked during the pay period will not be counted in the headcount for that pay period.
 - iii) Employees who retire will be eligible for the payout, but will not be included in the headcount after retirement.
 - iv) Employees who are on indefinite or temporary layoff and do not have hours worked during a pay period will not be counted.

ROE %	Payout Funding Per Bargaining Unit Employee
Less than 11.99%	\$0
12% to 12.99	\$400
13% to 13.99	\$550
14% to 14.99	\$700
15% to 15.99	\$850
16% to 16.99	\$1,000
17% to 17.99	\$1,200
18% to 18.99	\$1,400
19% to 19.99	\$1,700
20% to 20.99	\$2,000
21% to 21.99	\$2,300
22% to 22.99	\$2,600
23% to 23.99	\$2,900
24% to 24.99	\$3,200
25% and >	\$3,580

3. Payout Calculation & Notification

- a. An average payout per hour worked will be computed by dividing the calculated fund (determined in item 2.b above) by the total number of straight time hours worked (during regularly scheduled eight (8) hour shift, five (5) day week) by all eligible bargaining unit employees. The payout per participant will be calculated by multiplying the average payout per hour by the number of straight time hours worked by the participant.
- b. The Company will provide three (3) copies of the final audited Profit Sharing report to the International Union by March 31st of the year following the end of the Plan year.
- c. All payouts, if any, will be made by April 30 of the year following the end of the Plan year, or by the last business day before April 30th.
- d. Bargaining unit employees will have the option to receive the payout as wages or to be deposited directly into their 401k account in lieu of being treated as wages. Such election may be made annually by April 15 following the end of the Plan year. The Company will supply duplicate forms to all bargaining unit employees to make this election. When payouts are received as wages all required deductions will be taken with FIT calculated at the rate dictated by federal regulations.

- e. The Company and the International Union will issue a joint written notice of the Plan's payout status prior to the direct deposit or distribution of the checks.

C. Other Understandings.

1. Time spent on Union duties by bargaining unit employees who are on the active payroll will be counted as hours worked.
2. Hours worked by employees on weekly payroll shall be the total straight time hours worked during the regularly scheduled eight (8) hour shift, five (5) day week, excluding all overtime hours but including holiday pay and observed vacation entitlement, as of the last pay period ending in each of the Plan years.
3. Detailed worksheets showing the calculations of the Profit Sharing Fund and payout amounts will be provided to the parties to this agreement, with the appropriate review and execution of the letter report by a public accounting firm selected by the Company.
4. The parties agree to refer any disagreements over the interpretation of the terms of this agreement to a mutually-acceptable impartial person for resolution.
5. The Company will respond as soon as practicable to reasonable requests from the Union for information supporting the computations made by the Company in determining the profit sharing fund, straight time hours worked, and employment status.
6. The Company will, as soon as practicable, inform the union of any change to the AB Volvo Group's definition and calculation of return to shareholders' equity percentage, and the resulting impact upon the Profit Sharing Plan, provide necessary supporting information and discuss any appropriate modifications to the Plan.

Appendix F

Mack Trucks, Inc.

Legal Services Plan

Summary Plan Description

This Summary Plan Description (SPD) format replaced the prior contract language effective October 2, 2016. Although “new”, this SPD is not bolded or underlined for ease of reading.

October 2, 2016

INTRODUCTION

The UAW-Mack Legal Services Plan was established by the Company, Mack Trucks, Inc. as a result of negotiations with the UAW. The Plan is intended to provide personal legal services for eligible active and certain laid-off employees and retired employees, their spouses and dependent children. The Plan became effective December 16, 1991.

This summary provides general information about the Plan, who is eligible to receive benefits under the Plan, what those benefits are, how to obtain benefits and what your rights under ERISA are.

Hyatt Legal Plans, Inc. has been selected to provide for legal plan benefits. The services will be provided through a panel of carefully selected Participating Law Firms. Lawyers in this network are called Plan Attorneys. These arrangements are described in detail in this summary. The actual provisions of the Plan are set out in a written document maintained by your employer. All statements made in this booklet are subject to the provisions and terms of that document, which controls in the event of conflict with this summary.

HOW TO GET LEGAL SERVICES

Web Site

To use the Legal Plan, visit the Hyatt Legal Plans' web site at legalplans.com. Once there, click on the "Members Log in" icon at the top of the page. You will be taken to a secure page that will require you to enter your Social Security Number. After you enter your Social Security Number you will jump to a page that is specific for member services. On this page you can choose the following options:

- How Do I Use the Plan?
- Covered Services
- Attorney Locator
- Obtain Case Number
- Life Guide
- Self-Help Documents/Forms

Client Service Center

You may also use the Legal Services Plan by calling Hyatt Legal Plans' Client Service Center at **1-800-821-6400** Monday – Thursday 8 a.m. to 7 p.m. and Friday 8 a.m. to 6 p.m., Eastern Time. Be prepared to give your Social Security Number. If you are a spouse or an eligible dependent child of an eligible person, you will need the Social Security Number of the employee through whom you are eligible. The Client Service Representative who answers your call will:

- Verify your eligibility for services;
- Make an initial determination of whether and to what extent your case is covered (the Plan Attorney will make the final determination of coverage);
- Give you a Case Number which is similar to a claim number (you will need a new Case Number for each new case you have);
- Give you the telephone number of the Plan Attorney most convenient to you; and
- Answer any questions you have about the Legal Plan.

You then call the Plan Attorney to schedule an appointment at a time convenient to you. Evening and Saturday appointments are available. If you choose, you may select your own attorney. Also, where there are no Participating Law Firms, you will be asked to select your own attorney. In both of these circumstances, Hyatt Legal Plans will reimburse you for these non-Plan attorneys' fees in accordance with a set fee schedule.

For services to be covered, you or your eligible dependents must have obtained a Case Number, retained an attorney and the attorney must begin work on the covered legal matter while you are an eligible member of the legal plan.

WHAT SERVICES ARE COVERED

The Legal Plan entitles you and your eligible dependents to receive certain personal legal services. The available benefits are very comprehensive, but there are limitations and other conditions which must be met. Please take time for yourself and your family to read the description of benefits carefully.

All benefits are available to you and your spouse and dependents, unless otherwise noted.

ADVICE AND CONSULTATION

Office Consultation and Telephone Advice

This benefit provides the opportunity to discuss with an attorney any personal legal problems which are not specifically excluded or prohibited matters. During the consultation, the attorney will explain the Participant's rights, point out his or her options and, if needed, recommend a course of action. The Plan Attorney will identify any further coverage available under the Plan, and will undertake representation if the Participant so requests. If representation is covered by the Plan, the Participant will not be charged for the Plan Attorney's services. If representation is recommended, but is not covered by the Plan, the Plan Attorney will provide a written fee statement in advance. The Participant may choose whether to retain the Plan Attorney at his or her own expense; seek outside counsel; or do nothing. There are no restrictions on the number of times per year a Participant may use this service; however, for a non-covered matter, this service is not intended to provide the Participant with continuing access to a Plan Attorney in order to undertake his or her own representation.

CONSUMER PROTECTION

Consumer Protection Matters

This service covers the Participant as a plaintiff, for representation, including trial, in disputes over consumer goods and services where the amount being contested exceeds \$300 and the controversy is evidenced by a written document such as a sales slip, contract, note or warranty. This service does not include disputes over insurance, land, construction, home improvements or matters involving real property.

Small Claims Assistance

This benefit includes counseling the Participant on prosecuting a small claims action; helping the Participant prepare documents; advising the Participant on evidence, documentation and witnesses; and preparing the Participant for trial. The service does not

include the Plan Attorney's attendance or representation at the small claims trial.

DEBT MATTERS

Debt Collection Defense

This benefit provides Participants with negotiation with creditors for a repayment schedule, limiting creditor harassment, and representation in defense of any action for personal debt collection, foreclosure, repossession or garnishment, up to and including trial if necessary. It does not include defense against a judgment, vacating a judgment, counter claims, cross claims, bankruptcy, any action arising out of divorce or post-decree matters, or any matter where the creditor is affiliated with the UAW or Mack Trucks.

Personal Bankruptcy

This benefit covers the Employee and spouse in pre-bankruptcy planning, the preparation and filing of a personal bankruptcy or Wage Earner petition and representation at all court hearings and trials. This benefit does not include bankruptcy or Wage Earner petitions for any business in which the Employee or spouse may have an interest, and is not available if the UAW or Mack Trucks is a creditor, even if the Employee or spouse chooses to reaffirm that specific debt.

DEFENSE OF CIVIL LAWSUITS

Civil Litigation Defense

This benefit covers the Participant for defense of civil proceedings in a trial court of general jurisdiction or before an administrative agency or a local, state, or federal agency. It does not apply where services are available or are being provided by virtue of a homeowner or vehicle insurance policy. It does not include divorce or post-decree defense, paternity, support or custody matters or litigation of a job-related incident.

DOCUMENT PREPARATION

Deeds

This benefit includes the preparation of any deed for which the Participant is either the grantor or grantee.

Demand Letters

This benefit covers the preparation of letters which demand money, property or some other property interest of the Participant, except an interest which is an excluded service, mailing them to the addressee and forwarding and explaining any response to the Participant. Negotiations and representation in litigation are not included.

Mortgages

This benefit includes the preparation of any mortgage for which the Participant is the mortgagor.

Notes

This benefit includes the preparation of any promissory note for which the Participant is the payor or payee.

FAMILY LAW

Adoption and Legitimization

All governmental agency and stepparent adoptions are fully covered for the Employee and spouse. Legitimization of a child for the Employee and spouse, including reformation of a birth certificate, is also a fully covered service.

Guardianship or Conservatorship

This service covers establishing a guardianship or conservatorship over a person and his or her estate by the Employee or spouse. It includes obtaining a temporary guardianship or conservatorship if necessary, gathering any necessary medical evidence, preparing the paperwork and attending the hearing. This benefit does not include representation of the person over whom guardianship or conservatorship is sought, or any proceedings involving annual accountings once guardianship or conservatorship has been established.

Name Change

This benefit covers the Participant for all necessary pleadings and court hearings for a legal name change.

Separation or Divorce

This benefit is available to the Employee only, not to a spouse or dependents. This service includes preparing and filing all necessary pleadings, motions and affidavits, and drafting settlement agreements as well

as representation at the hearing or trial, regardless whether the Employee is a plaintiff or a defendant. This benefit does not include disputes which arise after the issuance of a divorce decree.

INSURANCE MATTERS

Insurance Claims

This benefit provides the Participant with assistance in making insurance claims with the Participant's own carrier, provided that carrier is not affiliated with the Employer. Litigation is not included.

PERSONAL INJURY

Personal Injury

Subject to applicable law and court rules, Plan Attorneys will handle personal injury matters (where the Participant is the plaintiff) at a maximum fee of 25% of the gross award. It is the Participant's responsibility to pay this fee and all costs.

Property Damage

Subject to applicable law and court rules, Plan Attorneys will handle property damage matters (where the Participant is the plaintiff) at a maximum fee of 25% of the gross award. It is the Participant's responsibility to pay this fee and all costs.

Social Security Disability

Subject to applicable law and court rules, Plan Attorneys will handle Social Security Disability matters at a fee 10% less than the prevailing fee. It is the Participant's responsibility to pay this reduced fee and all costs.

REAL ESTATE MATTERS

Boundary or Title Disputes

This service includes negotiations and litigation arising in connection with boundary or title disputes involving a Participant's primary residence, where coverage is not available under the Participant's homeowner or title insurance policies.

Eviction and Tenant Problems (Tenant Only)

This service assists the Participant as a tenant with matters involving leases, security deposits or other disputes with a residential landlord. The benefit also covers eviction defense, up to and including trial, if necessary. It does not include representation as a plaintiff in a lawsuit against the landlord.

Refinancing of Home

This benefit includes the review or preparation, by an attorney representing the Participant, of all relevant documents (including the mortgage, deed and documents pertaining to title, insurance, recordation and taxation), which are involved in the refinancing of a Participant's primary residence. It does not include services provided by any attorney representing a lending institution or title company. The benefit does not include the refinancing of a second home, vacation property, unimproved land, rental property or property held for business or investment. Home equity loans are not included under this benefit.

Sale or Purchase of Home

This benefit includes the review or preparation, by an attorney representing the Participant, of all relevant documents (including the purchase agreement, mortgage, deed and documents pertaining to title, insurance, recordation and taxation), which are involved in the purchase or sale of a Participant's primary residence. The benefit also includes attendance of an attorney at closing, in cities where it is the custom to do so. It does not include services provided by any attorney representing a lending institution or title company. The benefit does not include the sale or purchase of a second home, vacation property, unimproved land, rental property or property held for business or investment. Home equity loans are not included under this benefit.

EXCLUSIONS

Certain matters are excluded from coverage under the Legal Plan. No services, not even a consultation, can be provided for the following matters:

- Payment made to a third party such as costs, witness fees, filing fees or fines;
- Appeals or class actions;
- Business, farm, patent or copyright matters;
- Matters for which you are or have been receiving legal services before you received an Authorization Number;
- Matters or disputes involving the UAW, Mack Trucks, Hyatt Legal Plans, MetLife or a Plan Attorney;
- Matters concerning employment including Company and statutory benefits.

ELIGIBILITY

Please see ARTICLE II, Section 2 (b) for detailed information regarding Eligibility for your dependents.

TRAFFIC MATTERS**Traffic Defense**

This benefit covers representation of the Participant in defense of any traffic ticket or driving under influence charge, including court hearings, negotiation with the prosecutor and trial. It also covers representation in proceedings to restore a driving license.

WILLS AND ESTATE PLANNING**Living Trusts**

This benefit includes the preparation of a living trust for the Participant. It does not include tax planning.

Living Wills

This benefit covers the preparation of a living will for the Participant.

Powers of Attorney

This benefit includes the preparation of any power of attorney when the Participant is granting the power.

Probate

Subject to applicable law and court rules, Plan Attorneys will handle probate matters at a fee 10% less than the prevailing fee. It is the Participant's responsibility to pay this reduced fee and all costs.

Wills and Codicils

This benefit covers the preparation of a will for the Participant. The creation of any testamentary trust is covered. The benefit includes the preparation of codicils and will amendments. It does not include tax planning.

WHEN COVERAGE ENDS

- Coverage will end on the earliest of the following dates:
- The date the Plan is terminated,
- The last day of the month that your employment terminates,
- The date you no longer belong to a class of employees eligible for the coverage,
- The date you or your enrolled dependents are no longer eligible for coverage

AMENDMENT OR TERMINATION

While your employer expects to continue to offer participation in the Legal Service Plan, it reserves the right to amend, or terminate the Plan at any time. If the Plan is terminated, all covered services then in process will be handled to their conclusion under the Plan.

ADMINISTRATION AND FUNDING

The Legal Service Plan is provided for and administered through a contract with Hyatt Legal Plans, Inc. Hyatt Legal Plans makes all determinations regarding attorneys' fees and what constitutes covered services.

PLAN CONFIDENTIALITY, ETHICS AND INDEPENDENT JUDGMENT

Your use of the Plan and the legal services is confidential. The Plan Attorney will maintain strict confidentiality of the traditional lawyer-client relationship. Your employer will know nothing about your legal problems or the services you use under the Plan. Plan administrators will have access only to limited statistical information needed for orderly administration of the Plan.

No one will interfere with your Plan Attorney's independent exercise of professional judgment when representing you. All attorneys' services provided under the Plan are subject to ethical rules established by the courts for lawyers. The attorney will adhere to the rules of the Plan and he or she will not receive any further instructions, direction or interference from anyone else connected with the Plan. The attorney's obligations are exclusively to you. The attorney's relationship is exclusively with you. Hyatt Legal Plans, Inc., or the law firm providing services under the Plan is responsible for all services provided by their attorneys.

You should understand that the Plan has no liability for the conduct of any Plan Attorney. You have the right to file a complaint with the state bar concerning attorney conduct pursuant to the Plan.

Plan attorneys will refuse to provide services if the matter is clearly without merit, frivolous or for the purpose of harassing another person. If you have a complaint about the legal services you have received or the conduct of an attorney, call Hyatt Legal Plans at **1-800-821-6400**. Your complaint will be reviewed and you will receive a response within two business days of your call.

OTHER SPECIAL RULES

In addition to the coverages and exclusions listed, there are certain rules for special situations. Please read this section carefully.

What if other coverage is available to you? If you are entitled to receive legal representation provided by any other organization such as a government agency, or if you are entitled to legal services under any other legal plan, coverage will not be provided under this Plan. However, if you are eligible for legal aid or Public Defender services, you will still be eligible for benefits under this Plan, so long as you meet the eligibility requirements.

What if you are involved in a legal dispute with your dependents? You may need legal help with a problem involving your spouse or your children. In some cases, both you and your child may need an attorney. If it would be improper for one attorney to represent both you and your dependent, only you will be entitled to representation by the plan attorney. Your dependent will not be covered under the Plan.

What if you are involved in a legal dispute with another employee? If you or your dependents are involved in a dispute with another eligible employee or that employee's dependents, Hyatt Legal Plans will arrange for legal representation with independent and separate counsel for both parties.

What if the court awards attorneys' fees as part of a settlement? If you are awarded attorneys' fees as a part of a court settlement, the Plan must be repaid from this award to the extent that it paid the fee for your attorney.

DENIAL OF BENEFITS AND APPEAL PROCEDURES

Denials of Eligibility

Hyatt verifies eligibility using information provided by Mack Trucks. When you call for services, you will be advised if you are ineligible and Hyatt Legal Plans will contact Mack for assistance. If you are not satisfied with the final determination of eligibility, you have the right to a formal review and appeal. Send a letter within 60 days explaining why you believe you are eligible to:

UAW- Mack Trucks Legal Services Plan
7900 National Service Rd
Greensboro, NC 27409

Within 30 days, you will be provided with a written explanation.

Denials of Coverage

If you are denied coverage by Hyatt Legal Plans or by any Plan Attorney, you may appeal by sending a letter to:

Hyatt Legal Plans, Inc.
Director of Administration
1111 Superior Avenue
Cleveland, Ohio 44114-2507

The Director will issue Hyatt Legal Plans' final determination within 30 days of receiving your letter. This determination will include the reasons for the denial with reference to the specific Plan provisions on which the denial is based and a description of any additional information that might cause Hyatt Legal Plans to reconsider the decision, and an explanation of the review procedure.

YOUR ERISA RIGHTS

Congress enacted the Employee Retirement Income Security Act (ERISA) to safeguard your interests and those of your beneficiaries under your employee benefit plans. As a participant in The Legal Plan, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that all Plan participants shall be entitled to:

Examine, without charge, at the Plan Administrator's office and at other specified locations, all Plan documents, including collective bargaining agreements and copies of all documents filed by the Plan with U.S. Department of Labor; such as detailed annual reports and Plan descriptions;
Obtain copies of all Plan documents and other Plan information upon written request to the Plan Administrator. The Administrator may make a reasonable charge for the copies;

Receive a summary of the Plan's annual financial report from the Plan Administrator who is required by law to furnish this to you.

In addition to creating rights for Plan participants, ERISA imposes duties upon the people who are responsible for the operation of the employee benefit Plan. The people who operate your Plan, called "fiduciaries" of the Plan, have a duty to do so prudently and in the interest of you and other Plan participants and beneficiaries. No one, including your employer or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a welfare benefit or exercising your rights under ERISA. If your claim for a welfare benefit is denied in whole or in part, you must receive a written explanation of the reason for the denial. You have the right to have the Plan review and consider your claim. Under ERISA, there are steps you can take to enforce the above rights. If you request materials from the Plan and do not receive them within 30 days, you may file suit in a federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Administrator. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or federal court. If it should happen that Plan fiduciaries misuse the Plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a federal court. The court will decide who should pay court costs and legal fees. If you lose, the court may order you to pay these costs and fees, for example if it finds your claim is frivolous. If you have any questions about your Plan, you should contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA, you should contact the nearest Area Office of the U.S. Labor Management Services Administration, U.S. Department of Labor.

FOR YOUR INFORMATION:

Name of Plan: The UAW-Mack Trucks Legal Services Plan

Plan Sponsor: Mack Trucks, Inc.

Type of Plan: Welfare Benefit Plan for pre-paid legal services

Plan Administrator:

UAW- Mack Trucks Legal Services Plan
7900 National Service Rd
Greensboro, NC 27409

Agent for Service of Legal Process: Plan Administrator

Provider of Benefits:

Hyatt Legal Plans, Inc.
1111 Superior Avenue
Cleveland, Ohio 44114-2507
1-800-821-6400

Plan Identification Number: 506-B

Sponsor's Employer Identification Number: 22-1582040

Effective Date: 12/16/91

Plan Year: January 1 - December 31

If you are having any kind of problem, please call Hyatt Legal Plans at 1-800-821-6400. A Hyatt Legal Plans representative will help you solve the problem to your satisfaction.

**APPENDIX G
MACK-UAW 401(k) PLAN**

**SUMMARY PLAN DESCRIPTION
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ARTICLE I – Introducing Your 401(k) Plan Benefits

Mack Trucks, Inc. maintains the Mack-UAW 401(k) Plan (the “Plan” or the “401(k) Plan”) for the benefit of eligible employees and their beneficiaries. Your benefit under the Plan helps to make your retirement years more financially secure.

The 401(k) Plan makes saving for retirement easy. It is designed to help supplement your income from other sources, such as the Pension Plan and Social Security.

Each year, Mack Trucks, Inc. (referred to in this SPD as the “Company” unless otherwise specified) allows you to contribute part of your annual pay into a personal account. All money in your account is invested as you choose in a wide array of individual and pre-mixed investment funds. You can receive your savings when you leave the Company and all affiliates for any reason.

This booklet is the summary plan description (“SPD”) for the Plan. It summarizes the provisions of the Plan as in effect on January 1, 2014 (as amended through January 1, 2017). You may be subject to different rules if you terminated your employment before this date. Every effort has been made to ensure that the SPD accurately describes the Plan terms. In the case of any conflict between this SPD and the terms of the Plan, the terms of the Plan will control. If you have any questions, you may contact a Plan representative at 1-800-356-9240 between 8:30 am and 6:30 pm Eastern Time, on any business day. You may obtain a copy of the Plan document by writing to Plan Administrator. This SPD describes your 401(k) Plan benefits as negotiated under the collective bargaining agreement between the Union and the Company.

SECTION 1 Your Plan Benefits at a Glance

The Plan has many flexible features that help you plan for your future. Here are some highlights of the Plan.

Plan Feature	How It Works
<i>Eligibility and Enrollment</i>	If you meet the eligibility criteria for the Plan, you are entitled to commence making contributions to the Plan beginning on the first of the month following the date you attain 5 months of seniority. If you were hired on or after June 1, 2009 and if you do not take action to enroll or decline enrollment by the 30th day following the date you can start making contributions, you will be automatically enrolled in the Plan and you will be deemed to have elected to contribute 3% of your pay to the Plan on a pre-tax basis.
<i>Pre-tax Contributions</i>	You can save from 1% to 75% of your Pay in the Plan. You may also make separate elections each Plan Year to save from 10% to 75% of a cash payment (if you receive one) from the Mack-UAW Profit Sharing Plan; from 10% to 75% of a ratification bonus; and from 10% to 75% of a lump sum bonus. Separate elections are required for each such election. The 2020 limit on pre-tax contributions is \$19,500 .
<i>Company Contributions</i>	If you were hired or rehired on or after June 1, 2009, the Company will contribute (1) as matching contributions, 60% of the first 6% of Pay you contribute, plus 4% of your Pay effective January 1, 2020 . The 4% contribution will be made even if you do not make contributions to the Plan. Therefore, if you contribute at least 6% of Pay, the Company will contribute 7.60% (60% of 6% plus 4%) to the plan. <u>Only employees hired or rehired on or after June 1, 2009 are eligible for the Company contributions.</u> Catch-up contributions, contributions in accordance with the separate election to save from 10% to 75% of a cash payment from the Mack-UAW Profit Sharing Plan, or contributions of 10% to 75% of a ratification bonus or lump sums bonus, are not matched.
<i>Catch-up Contributions</i>	If you are age 50 or older by the end of the year, you can contribute an additional amount on a pre-tax basis, up to \$6,500 in 2020 (subject to the 75% maximum contribution percentage).
<i>Choice of Investment Funds</i>	You determine how your Plan account is invested. You may change your investments by calling Mercer HR Services' toll-free number or by accessing their Internet site.

Plan Feature	How It Works
<i>Automatic Payroll Deductions</i>	It's easy to make contributions to your Plan account because they're taken out automatically each pay period. You may start, stop, or change your contributions at any time.
<i>Loans and Withdrawals</i>	Under certain circumstances, you may have access to your savings while you're still working for the Company.
<i>Quarterly Statements</i>	Each quarter, a statement will be available that shows all the activity in your plan account.
<i>Access to Account Information and Plan questions</i>	You may obtain your current account balance, execute transactions (for example, investment changes and withdrawals), and ask questions regarding the Plan, as described in Article VII.

The following pages explain how the 401(k) Plan works and include important rules and limitations. Please read this summary carefully.

ARTICLE II – Plan Membership

SECTION 1 Who Is Eligible

You are eligible to participate in the Plan if you:

- are employed by the Company and you are covered by a collective bargaining agreement between the Company and the International Union, UAW, Locals 171, 677, 1247, 2301 and 2420, and
- you have attained seniority under the collective bargaining agreement.

SECTION 2 When Participation Begins

You may begin participating in the Plan on the first day of the month following attainment of five months of seniority. If you leave the Company and later return to work for the Company in the eligible class described above, you will be able to join the Plan again during any payroll period which begins after your return to work.

SECTION 3 Enrolling in the Plan

When you become eligible to enroll, you will receive an enrollment kit that contains instructions regarding the enrollment process. You may also request a kit from Mercer HR Services. To enroll, you may call the Plan's toll free number at 1-800-356-9240 or go to the Plan's website at www.ibenefitcenter.com. These Plan access features are available 24 hours a day, seven days a week. You may also enroll or ask a question by speaking with a Plan representative at that number between 8:30 am and 6:30 pm Eastern time, on any business day. If you are unable to enroll by either of these methods, please contact your local Human Resources Department. If you choose to participate, you'll need to:

You are eligible to join the 401(k) Plan beginning with the first payroll period after meeting the eligibility and participation requirements.

- *Select the percentage of Pay you would like to save in pre-tax dollars*
- *Authorize the Company to make regular payroll deductions for your 401(k) Plan contributions*
- *Indicate which funds you want to invest in, and*
- *Name a beneficiary (or beneficiaries) to receive the value of your Plan account if you die. Please note: If you are married, your spouse is automatically your beneficiary. If you wish to name someone other than your spouse as your beneficiary, you'll need to complete a Beneficiary Designation Form, on which you must obtain your spouse's written consent, witnessed by a notary public or Plan representative. If you're single, you may name any person as your beneficiary. If you die and are not survived by a designated primary or*

contingent beneficiary, your Plan beneficiary will be your spouse or if you do not have a spouse, your estate.

Contributing to the 401(k) Plan is *completely voluntary*. If you do not want to contribute when you first become eligible, you may begin contributing at a later date. Keep in mind, however, that you can save as little as 1% of your Pay in the Plan.

If you were hired on or after June 1, 2009 and if you do not take action to enroll or decline to enroll within 30 days after the date you become eligible to contribute, you will be automatically enrolled in the Plan as if you made an election to contribute 3% of pay to the Plan.

Effective January 1, 2017, your initial automatic enrollment percentage will be increased by 1% each year up to a maximum of 6%, unless you make a different choice. You may also elect to make changes via the web at www.ibenefitcenter.com or by phone by calling 1-800-356-9240.

SECTION 4 Election Discrepancies

You must notify the Plan Administrator in writing of any discrepancies in your payroll deduction or investment election within 30 days of receipt of the first pay statement or investment confirmation statement reflecting the discrepancy. If you do not timely notify the Plan Administrator in writing, you will be deemed to have elected the payroll deduction or investment election reflected on your statement. To facilitate a prompt correction, you may also contact a Plan representative at 1-800-356-9240 between 8:30 am and 6:30 pm (in addition to providing written notice to the Plan Administrator).

ARTICLE III – Building Your Plan Account

Under the Plan, your account can grow in several ways:

- Your pre-tax contributions
- Company contributions (if eligible)
- Your rollover contributions (if any), and
- Investment growth.

The following pages explain how each works.

The Plan offers a number of interactive resources to help you plan for your retirement. You can log on to www.ibenefitcenter.com to use a retirement goal calculator to estimate how much money you may need for retirement and what your current contribution percentage may need to be to pursue your goal. You can also use the paycheck calculator to see how your Plan contributions would impact your take-home pay. In addition, the Plan's Smart Goal™ feature enables you to systematically increase the amount you save over time. These resources, as well as some of the pre-mixed investment funds described, enable you to pursue a disciplined approach to retirement savings.

You may save from 1% to 75% of your annual pay in whole percentages on a pre-tax basis.

SECTION 1 Your Pay

For purposes of determining contribution amounts under the Plan, the term “Pay” means your base hourly rate of pay, including cost-of-living allowances but excluding premiums or bonuses. Pay also includes amounts paid after your termination of employment if such amounts are paid before the later of 2½ months or the end of the year after you terminate employment and would have been paid to you if you had continued employment.

The amount of your Pay that can be taken into account each year is subject to a limit imposed by the IRS (\$285,000 in 2020).

SECTION 2 Your Pre-tax Contributions

You may save from 1% to 75% – in whole percentages – of your Pay in the form of *pre-tax* contributions. You may also make separate elections each Plan Year to save from 10% to 75% of a cash payment (if you receive one) from the Mack-UAW Profit Sharing Plan; from 10% to 75% of a ratification bonus; and from 10% to 75% of a lump sum bonus. Separate elections are required for each such election. If you are age 50, or will reach age 50 by the end of the year, you can contribute an additional amount on a pre-tax basis, up to \$6,500 in 2020. These additional contributions are called “catch-up” contributions. You can only make catch-up contributions if you reach, or you expect to reach, one of the legal limits

on contributions for the year. Your catch-up contributions plus your other contributions can't exceed 75% of your Pay.

Legal Contribution Limitations. The Internal Revenue Service (IRS) imposes the following limits on how much money can be contributed on your behalf each year:

- Regular pre-tax contributions cannot exceed an annual dollar limit (\$19,500 in 2020).
- The maximum amount that can be contributed to your account each year – in the form of regular pre-tax contributions and matching contributions – cannot exceed a dollar amount (\$57,000 in 2020) or 100% of your compensation, whichever is less.
- Your Pay that can be taken into account each year is subject to a limit (\$285,000 in 2020).
- In some cases, highly-compensated employees may be restricted from making certain contributions to the Plan so that the Plan can comply with these and other IRS guidelines. You will be notified if you are affected by these restrictions.
- If you are age 50, or will reach age 50 by the end of the year, you can contribute an additional pre-tax amount each year in excess of the foregoing limits (\$6,500 in 2020) by making a separate election. These additional contributions are called “catch-up” contributions. You can make catch-up contributions only if you reach, or you expect to reach, one of the Plan's limits on contributions for the year. Your catch-up contributions plus your other before-tax contributions can't exceed 75% of your Pay. Your total pre-tax contributions (including catch-up contributions) can't exceed \$26,000 in 2020.

These limits are adjusted from time to time by the government for changes in the cost of living.

How Pre-tax Contributions Work. Pre-tax contributions are deducted from your paycheck *before* federal – and, in most locations, state and local – income taxes are withheld. As a result, your taxable income is reduced, so you pay less in taxes. You *will* pay taxes on this money, including any investment earnings, when you receive your account balance at retirement (or earlier, if you withdraw the money).

Even though you're taxable income is reduced when you make pre-tax contributions to the Plan, the level of your other pay-related benefits will *not* be affected. The value of these benefits continues to be based on your full pay (as defined under those plans) *before* you contribute to the 401(k) Plan.

Please note that pre-tax contributions do *not* reduce Social Security taxes or Social Security benefits.

SECTION 3 Company Contributions

If you were hired or rehired on or after June 1, 2009, the Company makes contributions on your behalf. Prior to May 1, 2013, each pay period, the Company matched 100% (that is, dollar for dollar) of your pre-tax contributions (excluding catch-up contributions, contributions of Mack-UAW Profit Sharing Plan payments, if any, and contributions of ratification bonuses or lump sum bonuses) which did not exceed 5 percent of your Pay for such pay period. If you contributed at least 5% of your Pay to the Plan, the Company matching contribution was 5% of your Pay.

Effective May 1, 2013, if you were hired or rehired on or after June 1, 2009, the Company will make the following contributions on your behalf: (1) as matching contributions, 60% of the first 6% of Pay that you contribute each pay period and (2) 2% of your Pay. If you contribute at least 6% of Pay, the total Company contribution will be 5.6% of your Pay.

Effective 1/3/2019, if you were hired or rehired on or after June 1, 2009, the Company will make the following contributions on your behalf: (1) as matching contributions, 60% of the first 6% of Pay that you contribute each pay period and (2) 3% of your Pay. If you contribute at least 6% of Pay, the total Company contribution will be 6.6% of your Pay.

Effective 1/1/2020, if you were hired or rehired on or after June 1, 2009, the Company will contribute (1) as matching contributions, 60% of the first 6% of pay you contribute, plus (2) 4% of your Pay. Therefore if you contribute at least 6% of Pay, the total Company contribution will be 7.6% of your Pay.

Catch-up contributions, contributions of Mack-UAW Profit Sharing Plan payments, if any, and contributions of ratification bonuses or lump sum bonuses are not eligible to be matched by Company contributions.

The Company match is made on a per-paycheck basis. This means that if you contribute less than 6% of your Pay in a given pay period, you will miss some or all of the match for that period. Because the IRS limits contributions you may make on a pre-tax basis to your account, you should carefully consider the percentage of Pay that you contribute to the Plan so that you can maximize the matching contributions to your account over the course of the year.

SECTION 4 An Example of Your Plan Savings

Assume you're married with one child and decide to save 6% of your \$40,000 pay, or \$2,400, through the Plan. The following chart shows how your pre-tax contributions increase your spendable income.

Here's an example of the advantage of saving on a pre-tax basis as opposed to saving through an ordinary bank account.

If you are not eligible to receive a matching contribution (you were hired prior to June 1, 2009), please refer to the first chart in this Section 4.

If you are eligible to receive a matching contribution (you were hired or rehired on or after June 1, 2009), please refer to the second chart in this Section 4.

Employees Hired Prior to June 1, 2009 – No Matching Contribution	Pre-Tax Savings Through the Plan	Saving Outside the Plan
Base Pay	\$40,000	\$40,000
Pre-Tax Savings	– 2,400	– 0
Taxable Income	\$37,600	\$40,000
Federal Income Tax*	– 1,285	– 1,525
Post-Tax Savings (6%)	– 0	– 2,400
Spendable Income	\$36,315	\$36,075
Immediate Gain Through Tax Savings	\$240	\$ 0

* Based on estimated federal income tax rates for **2016** assuming you are married, file jointly, take the standard deduction, claim three exemptions, and have no other income.

As you can see, in this example you would have \$240 more in current spendable income by saving 6% of your Pay through the Plan on a pre-tax basis as opposed to saving on a post-tax basis outside the Plan. Remember that taxes are only deferred. You'll be responsible for paying income taxes on your pre-tax savings and any investment earnings when you receive a payout of your Plan account.

Employees Hired or Rehired On or After June 1, 2009 – With Matching Contribution	Pre-Tax Savings Through the Plan	Saving Outside the Plan
Base Pay	\$40,000	\$40,000
Pre-Tax Savings	– 2,400	– 0
Taxable Income	\$37,600	\$40,000
Federal Income Tax*	– 1,285	– 1,525
Post-Tax Savings (6%)	– 0	– 2,400
Spendable Income	\$36,315	\$36,075
Immediate Gain Through Tax Savings	\$240	\$ 0
Company Contribution (3.6% match + 2%)	+ 2,240	+ 800
Total Benefit	\$ 2,480	\$ 800

* Based on estimated federal income tax rates for **2016** assuming you are married, file jointly, take the standard deduction, claim three exemptions, and have no other income.

As you can see, in this example you would have \$240 more in current spendable income by saving 6% of your Pay through the Plan on a pre-tax basis as opposed to saving on a post-tax basis outside the Plan. Also, the Company will contribute \$2,240 to your Plan account compared with only \$800 (2%) if you save outside the Plan. Remember that taxes are only deferred. You'll be responsible for paying income taxes on your pre-tax savings, your matching contributions, and any investment earnings when you receive a payout of your Plan account.

SECTION 5 Additional Pre-Tax Contributions of Profit Sharing Plan Payments, Ratification Bonuses and Lump Sum Bonuses

In some years, the Company may make a cash payment to you pursuant to the Mack-UAW Profit Sharing Plan. If so, you may make a separate election to contribute 10%-75% of that payment to your Plan Account. Similarly, you may elect to contribute 10% - 75% of any ratification bonus or 10% - 75% of a lump sum bonus. Separate elections are required for each such election. Note that Profit Sharing payments, ratification bonuses and lump sum bonuses are not treated as part of your pay for purposes of your regular pre-tax contribution. A contribution from your Mack-UAW Profit Sharing Plan payment, ratification bonus or lump sum bonus is not matched. A separate election to contribute part of any such payment or bonus you may receive must be made each year.

SECTION 6 Rollover Contributions

You may roll over or directly transfer certain other types of savings into the Plan. By doing so, you continue to defer income tax on that money and have the same investment opportunity as the rest of your Plan account.

If you participated in another employer's tax-deferred savings plan, you may be able to roll the money into the 401(k) Plan.

If you are a current employee, you may roll over into the Plan certain amounts you received from any other retirement plan that meets certain IRS requirements and is therefore subject to special tax rules under Section 401 or Section 403(a) of the Internal Revenue Code. You may also roll over amounts from an IRA if those amounts were rolled into the IRA from such a retirement plan. The Plan does not accept rollovers from Roth IRAs or rollover of any after-tax amounts.

For example, you may be eligible to make a rollover contribution to the Plan if you worked for another employer with a qualified savings plan before joining the Company. You can roll the payout you receive from that plan into the 401(k) Plan as long as you do so *within 60 days* of receiving the money, as required by the IRS.

You also may be able to have your plan account from your prior employer-sponsored plan transferred as a direct rollover to the 401(k) Plan. If you do not elect a direct rollover, you will be subject to a 20% withholding tax on the taxable portion of your distribution. See “How Taxes Affect Your Benefits” for more information about the tax consequences of rolling over money from one plan to another.

Any amounts that you roll over into the Plan (including investment income on those amounts) can be withdrawn by you at any time and for any reason. However, if you take a withdrawal from the rollover account, that withdrawal will be subject to income taxes and, if you are under age 59½, also may be subject to a 10% penalty tax. See “How Taxes Affect Your Benefits” for more information.

SECTION 7 Account Transfers To or From Other Volvo 401(k) Plans

If you transfer to an employment status where you become eligible to participate in another 401(k) plan sponsored by a non-participating affiliate of the Company, you may elect to transfer your current Plan account balance to your new plan. Similarly, if you transfer employment from an employment status where you were a participant in another 401(k) plan sponsored by a non-participating affiliate of the Company, you also may elect to transfer your account balance under that plan to this Plan. Each type of contribution (e.g., elective pre-tax, profit sharing, rollover) and attributable earnings that you transfer in this manner will become subject to the Plan's distribution and withdrawal restrictions applicable to such contribution type. However, the transferred amounts will retain the prior plan's vesting schedule if more favorable.

SECTION 8 Tax Deferred Saving

Another big advantage to saving through the Plan is that your investment earnings continue to grow *tax-deferred* as long as the money remains in the Plan. Most other forms of saving tax your investment earnings each year.

Keep in mind, however, that tax-deferred does not mean tax-free. Your Plan account – including the investment earnings – will be taxed as ordinary income in the year it is paid to you. More information about taxes and the Plan is included under “How Taxes Affect Your Benefits”.

Like your pre-tax contributions, the investment earnings in your account accumulate on a tax-deferred basis until you withdraw the money.

ARTICLE IV – Investing Under the Plan

SECTION 1 Your Investment Choices

You have a choice of investment funds for investing your account.

The Plan’s investment lineup was designed to offer you a variety of options from a wide range of investment categories, without offering an overwhelming number of choices. In addition, every fund is offered in the share class with the lowest available expense ratio (i.e., the lowest fee). The Plan’s fiduciaries who are responsible for monitoring the available funds may change the investment line-up to ensure that each available fund is an appropriate investment option for the Plan.

Investors should carefully consider the investment objectives, risks, charges, and expenses of a fund before investing. For a prospectus or an offering statement containing this and other information about any fund in the Plan, please call 1-800-356-9240. Read the prospectus or offering statement carefully before making any investment decisions. Fund performance is not guaranteed; Plan accounts can lose money.

The Plan is intended to be a plan described in Section 404(c) of the Employee Retirement Income Security Act of 1974 (“ERISA”) and Labor Regulation 2550.404(c)-1, as amended (referred to as a “404(c) plan”). Section 404(c) may relieve the Plan’s fiduciaries of liability for any losses that result from investment instructions given by you or your beneficiaries to invest (or not invest) in particular investment funds, provided the Plan complies with certain requirements of Section 404(c). To qualify as a 404(c) plan, Plan fiduciaries must select appropriate investment funds as alternatives, make available certain information about the Plan’s investment choices, and allow participants to direct the investment of account balances in a manner that complies with applicable rules under ERISA. Because you supervise and direct how your Plan account is invested among available investment funds, and because the Plan is designed to comply with certain rules for 404(c) plans under ERISA, fiduciaries of the Plan may be relieved of liability for losses, if any, that occur in your Plan account as a direct result of your investment instructions. A participant or beneficiary will remain responsible for making investment decisions with respect to Plan accounts remaining in the Plan after your termination of employment for any reason.

Should you fail to direct the investment of your account, your Plan account will be invested in the Target Retirement Fund that corresponds with your date of birth on record with the Company, assuming a retirement age of 65 (see the chart on page 11). If your date of birth is not in the Company’s records, your Plan account will be invested in the Target Retirement Income Fund. Your Plan account will remain invested in the applicable default investment fund until you make another selection.

On a daily basis, you can change your investment elections. You can reallocate the funds in which your future contributions will be invested in 1% increments. You can make exchanges (transfers) in dollar amounts, percentages (i.e., reallocation), or shares. Again, please read the applicable prospectus for information regarding trading restrictions and fees for individual funds. See **Article VII** for instructions for making investment elections and changes.

This SPD provides general information about the Plan’s investment options. It does not intend to provide investment advice. More detailed information about the Plan’s investment options is available from Mercer HR Services. For further information on investments, you may wish to consult a trusted, reputable investment advisor.

Choosing a single investment from the “ready-mixed” portfolio choices offers you a one-step approach to diversification (“Option A”). Or, you can mix your own portfolio from among the Plan’s other fund choices (“Option B”).

Option A: Choose a ready-mixed portfolio

The Target Retirement Funds allow you to:

- Make a single investment choice based on the year you plan to start withdrawing assets, typically at retirement
- Invest in a comprehensive portfolio that is professionally diversified across investment styles
- Have your fund's risk level adjusted to generally become more conservative over time

All of the Target Retirement Funds are diversified across an array of funds that invest in different styles and include a mix of stocks, bonds, and capital preservation investments. Your portfolio will be automatically rebalanced for you on a periodic basis, and your exposure to risk will generally be reduced as you get closer to retirement. Remember that diversification and rebalancing do not guarantee a profit or eliminate risk and you can still lose money in a diversified portfolio.

Each Target Retirement Fund has a different target date indicating when the fund's investors expect to begin withdrawing assets from their accounts, typically at retirement. You can simply select the single fund with the target year that most closely matches the date on which you intend to withdraw money for retirement. The Income Fund is designed for participants who are close to achieving or have already achieved their retirement goals or other savings objectives. Please refer to the prospectus for more details.

When deciding which Target Retirement Fund is right for you, you may wish to consider a number of factors in addition to a fund's target date, including your age, how your fund investment will fit into your overall investment allocation, and whether you are looking for a more aggressive or more conservative allocation.

Each Target Retirement Fund is designed to be used as a single-choice approach to diversification for your Plan account and generally should not be used in combination with any other Target Retirement Fund or the Plan's other investment options. When you invest in a Target Retirement Fund, there is generally no need to change your investment selections in the future unless your time horizon for withdrawing from your account changes.



The underlying funds held by each Target Retirement Fund may invest in international securities, which involve risks such as currency fluctuations, economic instability, and political developments. The funds may also invest some or all of their assets in small and/or midsize companies. Such investments increase the risk of greater price fluctuations.

The funds may also have a significant portion of their assets in bonds. Mutual funds that invest in bonds are subject to certain risks including interest rate risk, credit risk, and inflation risk. As interest rates rise, bond prices fall. Long-term bonds have more exposure to interest rate risk than short-term bonds. Lower-

rated bonds may offer higher yields in return for more risk. Unlike bonds, bond funds have ongoing fees and expenses.

To help you decide, simply review the table below.

Most aggressive: Higher risk/longer targeted investment period

 If your expected or actual year of retirement is	Consider
– 2043–2047	Target Retirement 2055 Fund
– 2038–2042	Target Retirement 2050 Fund
– 2033–2037	Target Retirement 2045 Fund
– 2028–2032	Target Retirement 2040 Fund
– 2023–2027	Target Retirement 2035 Fund
– 2018–2022	Target Retirement 2030 Fund
– 2013–2017	Target Retirement 2025 Fund
– 2008–2012	Target Retirement 2020 Fund
 – Before 2017	Target Retirement Income Fund

Most conservative: Lower risk/shorter targeted investment period

Target Retirement Funds are ranked according to market and credit risk. Market risk measures how sensitive a fund may be to economic and market changes. Market risk is generally higher for funds that invest heavily in stocks. Credit risk measures how susceptible a fund's income holdings may be to the nonpayment of principal or interest by the issuer. These rankings are relative only to the listed funds and should not be compared with the rankings of other investments. Moreover, there can be no assurance that any one fund will have less risk or more reward than any other fund.

Option B: Mix your own portfolio

Understand risk and reward factors

If you choose to mix your own portfolio, you will select your own combination of individual funds offered by your Plan to create a diversified portfolio that matches your specific risk tolerance and investment goals. Review your Enrollment Guide or the Mercer website for information about the available funds.

An important part of investing is determining how much risk (of losing money) you are willing to accept in exchange for potential reward (of making money). There are a number of factors to weigh when determining a fund's relative risk and potential reward in comparison to other funds offered by your Plan. Specifically, you may wish to consider investment style, company size, and geography.

The importance of rebalancing

Keep in mind that over time different performance gains and losses among your funds can move your portfolio away from your initial diversification strategy. To keep your portfolio on track, you should examine your existing account balance percentages at least once a year and “rebalance” or adjust your holdings to align with your intended strategy.

Your enhanced Plan will offer an automatic rebalancing option that enables you to have your portfolio automatically rebalanced every 3, 6, or 12 months.

Diversification and rebalancing will not necessarily prevent you from losing money; however, they may help reduce volatility and potentially limit downside losses.

Investment style

Funds are managed in different styles. Investment style refers to the way a fund is managed and the types of stocks and bonds in which it invests. There can be no assurance that funds will achieve their investment objectives.

Higher potential risk/higher potential reward

↑ **Growth funds** seek to maximize the value of your savings over time by investing in the stocks of companies that have a strong potential for providing above-average earnings growth.

Blend funds seek to increase the value of your savings over time by investing in the stocks of companies with strong earnings growth potential as well as those priced below their expected long-term worth.

Value funds seek to increase the value of your savings over time by investing in undervalued, or attractively priced, stocks of well-established companies.

Income funds seek to provide a steady stream of income, which is reinvested in your account, and in some cases a small amount of growth, by investing in bonds issued by governments and corporations and similar income-producing securities.


↓ **Capital preservation funds** seek to offer price stability and a steady stream of income, which is reinvested in your account, by investing in short-term bonds or contracts issued by creditworthy companies, financial institutions, and government entities.

Lower potential risk/lower potential reward

Company size

Specific to stock funds, company size refers to the total market value or “capitalization” of a company as determined by its outstanding stock shares.


Higher potential risk/higher potential reward

- 
- Small-cap funds invest in the stocks of small companies, which often offer innovative products and services. However, because of their small size, such companies may also present volatility and liquidity risks.
 - Mid-cap funds invest in the stocks of midsize companies, which may have a faster growth rate than large companies but also more stability than small companies.
 - Large-cap funds invest in the stocks of large companies which, because of their asset size, tend to be the most stable.

Lower potential risk/lower potential reward*Geography*

Stocks and bonds are issued by companies and government entities around the world and offer varying degrees of risk and potential reward.

Higher potential risk/higher potential reward

- 
- International/global funds invest in stocks issued by companies outside the United States or bonds issued by government entities or companies outside the United States. Global funds invest in securities of issuers worldwide and international funds invest mainly in securities of issuers outside the United States. International and global funds may perform well when U.S. domestic funds do not, but they also involve unique risks such as currency fluctuations, economic instability, and political developments. Additional risks, including illiquidity and volatility, may be associated with emerging market securities.
 - Domestic funds invest in stocks issued by companies or bonds issued by government entities or companies located in the United States and tend to track the ups and downs of the U.S. economy.

Lower potential risk/lower potential reward

The investment style, company size, and geography illustrations are not intended as investment advice, but rather as a general guide to investment style risk/potential reward profiles. Because blend funds have the flexibility to invest in





both growth and value stocks in varying proportions, at any given time they may have a higher or lower risk/potential reward profile than value funds or growth funds. There can be no assurance that any fund will experience less volatility or greater reward than any other fund. Investing in small-cap and mid-cap companies involves increased risk of price volatility compared with investing in large-cap companies.

View sample investor profiles

The profiles below can help you determine how to diversify your own portfolio among your Plan's investment styles based on your goals, risk tolerance, and years to retirement. As you develop your investment strategy, it's important to consider that your retirement (and need for a steady stream of income) may last 20 years or more. So be sure to factor this time into your long-term investment objectives.

Sample investor profiles



GOAL	Maximum growth	Growth	Conservative growth	Income and inflation protection
RISK TOLERANCE	High	High to moderate	Moderate	Moderate to low
TIME HORIZON	20 years or more	10–20 years	5–10 years	5 years or less
TYPICAL ALLOCATION	 <p>30% Growth 30% Blend 30% Value 5% Income 5% Capital preservation</p>	 <p>20% Growth 30% Blend 20% Value 20% Income 10% Capital preservation</p>	 <p>15% Growth 20% Blend 15% Value 35% Income 15% Capital preservation</p>	 <p>10% Growth 10% Blend 10% Value 50% Income 20% Capital preservation</p>

The sample profiles take into consideration the time remaining to anticipated retirement at age 65, historical inflation rates, and risk and potential return relationships of the asset classes shown. No other assumptions have been made. You should not consider these sample profiles to be investment advice, and when applying these profiles to your individual situation, consider your other assets, income, and investments (e.g., the equity in your home, other retirement plan and IRA assets, and your savings) in addition to your Plan account. You may wish to consult a financial advisor to review your specific situation. Call your Plan's toll-free number if you have any questions.

Learn more about your funds

The following profiles outline the investment objective and strategy – including style, company size, and geography – for each of the investments offered by your Plan. There can be no assurance that a fund will achieve its objective. The funds are listed in alphabetical order under each style category; categories are listed according to market and credit risk. Please see page 280 for more information about investment styles.

Investors should carefully consider the investment objectives, risks, charges, and expenses of a fund before investing. For a prospectus or an offering statement containing this and other information about any fund in the Plan, please call 1-800-356-9240. Read the prospectus or offering statement carefully before making any investment decisions.

SECTION 2 Plan Investment Fees

All of the funds in the Plan's new investment lineup are being offered in the share classes with the lowest available expense ratios. Generally, the share class that has the lowest expense ratio for each fund will have the highest investment return, as compared with the other share classes offered for that fund.

What are expense ratios and share classes?

The operating fees for the funds are assessed as a percentage of the assets invested and are deducted directly from those assets. The expense ratio is used to represent the sum of those operating fees.

Some funds offer different types of shares, known as "classes." Each class invests in the same portfolio of investments and has the same objectives and policies. However, each class has different fees and expenses and therefore different performance results. As mentioned above, the share class with the lowest expense ratio for each fund will generally have the highest investment return, as compared with the other share classes offered for that fund. For information about fund fees and expenses, please refer to each fund's prospectus or offering statement.

How you invest your account is entirely up to you; the Company cannot give investment advice. For more information or a prospectus on any of the funds, please contact Mercer HR Services by phone at 1-800-356-9240 or online at www.ibenefitcenter.com.

ARTICLE V – Plan Expenses

SECTION 1 Plan Administrative Fees

In order to offer all of the funds in the share classes with the lowest available expense ratios and still pay for all of the Plan's administrative costs, it will be necessary to implement a per-participant fee. This fee will be deducted quarterly from your account, reflecting administrative expenses for the previous quarter.

SECTION 2 Plan Investment Fees

Plan Investment Fees are described in **Article IV**.

SECTION 3 Other Fees

Fees that may apply to your account (for example, QDRO fees and the administrative fees described above) are listed on a fee schedule that is part of your quarterly account statement.

ARTICLE VI – If You Leave Before Retirement

SECTION 1 Vesting

Vesting means you have a permanent right to the value of your Plan account – including any company contributions made on your behalf and any investment gains or losses on that money.

Vesting determines your right to your Plan account when you leave the Company.

Under the 401(k) Plan, you are always 100% vested in *your* pre-tax contributions and rollover contributions, if any, and the investment gains or losses on that money. You become vested in matching contributions and any investment gains and losses on that money at the rate of 20% for each year of service, as follows:

<i>Years of Service...</i>	<i>Vested Percentage...</i>
1	20%
2	40%
3	60%
4	80%
5	100%

You will also become 100% vested in matching contributions if you reach age 65, or die while employed by the Company or while performing qualified military service, or become disabled as determined under the Company's long-term disability plan that applies to you.

SECTION 2 Contributions Following Protected Military Leave

If your employment with the Company is interrupted by a period of military service that lasts less than 5 years and you return to service in accordance with the Uniformed Services Employment and Reemployment Rights Act of 1994 ("protected military leave"), you will have the right to make restorative

contributions equal to the amount of pre-tax contributions (including catch-up contributions, if applicable) that you could have made for the period of your military leave (based on your eligible Pay immediately prior to such leave). The Company will make any matching contributions to your account to the extent required by law. You are required to notify the Plan Administrator at the commencement of your protected military leave or as soon as possible thereafter.

ARTICLE VII – 401(k) Plan Flexibility

The 401(k) Plan gives you the flexibility to change your decisions to keep pace with your circumstances. You may make the following changes by contacting Mercer HR Services at 1-800-356-9240 or online at www.ibenefitcenter.com:

You can change your elections as your circumstances change. You can change your investments simply by calling Mercer HR Services or accessing their web site.

- ***Change your contribution percentage.*** You may increase or decrease the amount you contribute to the Plan at any time. To change your contribution percentage, contact Mercer HR Services by phone or online. The change will take effect as soon as administratively possible.
- ***Stop or resume your contributions.*** You may *stop* contributing to or *resume* contributing to the plan at any time. To stop or resume contributions, you must contact Mercer HR Services. Your change will take effect as soon as administratively possible.
- ***Transfer your existing investments or change your investment elections for future contributions.*** You may transfer your existing investments or change your investment elections for *new* contributions going into your account at any time. To transfer your funds or change your investment elections, simply call Mercer HR Services toll-free or visit the Plan's website.
- ***Change your beneficiary designation.*** You may change your beneficiary at any time by accessing the Plan's website or calling Mercer HR Services' toll-free number to request a Beneficiary Designation Form. Remember, however, that if you're married and wish to name someone other than your spouse as your beneficiary, you'll need your spouse's written consent, witnessed by a notary public.

The Plan Administrator may temporarily suspend certain Plan activities in order to facilitate a transfer of assets and/or liabilities to or from the Plan, a change in service providers, or the investment options of the Plan. Actions that may be

suspended include, but are not limited to, distributions, withdrawals, loans, investment and contribution elections, and changes in contribution percentages and investment fund allocations. If practicable, you will be notified in advance of any suspension so that you can plan accordingly. In some cases, your transaction requests may be delayed due to administrative time lags in file transfers needed to facilitate such transactions.

ARTICLE VIII – Receiving Your Plan Account

In general, you may request a distribution of your Plan account when you retire or leave the Company and all of its affiliates. Under certain circumstances you may be able to access your money while you are actively working for the Company. The following paragraphs describe how distributions, loans, and withdrawals work.

SECTION 1 Distributions

You or your beneficiary can receive the vested value of your Plan account when you leave the Company and all of its affiliates for any reason, including retirement, disability, or death.

Mack will distribute your Plan savings automatically if you leave the Company and all of its affiliates (for any reason) *and* the value of your Plan account is \$1,000 or less. If the vested value of your Plan account is *greater* than \$1,000, you can elect to have your account distributed:

- In a lump sum, or
- For participants with an account transferred from the Mack Trucks, Inc. Retirement Savings Plan, the vested portion of that account may be distributed in equal monthly installments over a period not exceeding 10 years.

If you elect to leave your money in the Plan after you leave the Company, periodic distribution of your account balance will begin the April 1 following the year in which you reach age 70½.

In the event of your death, your beneficiary will receive your benefits in a lump sum as soon as administratively possible. However, if your spouse is your beneficiary and the value of your account is greater than \$1,000, he or she can elect to defer payment until the date you would have reached age 70½.

SECTION 2 Loans

If you wish, you may borrow money from your Plan account. When you repay the loan, you repay your Plan account, with interest. In essence, you pay *yourself*

back because you're borrowing *your own money*. The Plan's written loan program is in Appendix A to this SPD. You may also obtain a copy or apply for a loan by calling Mercer HR Services at 1-800-356-9240 or by visiting their website at www.ibenefitcenter.com.

Keep in mind that you do not pay income taxes on any money borrowed from your Plan account. In addition, the interest portion of your repayments is *not* tax deductible. You may wish to consult a tax advisor before borrowing from the plan.

SECTION 3 In-Service Withdrawals

Under the Plan's withdrawal feature, you can withdraw money from your Plan account under certain circumstances. The portion of your account available for withdrawal does not include the amount that is reflected on your statement as an outstanding loan balance.

You can withdraw funds from your rollover account at any time and for any reason. If you have an account transferred from the Mack Trucks Inc. Retirement Savings Plan, you may withdraw a portion of that account under certain circumstances. You cannot withdraw pre-tax contributions prior to age 59½, except that pre-tax contributions may be available for hardship withdrawal (explained below under the heading "Hardship Withdrawals").

If your account includes Company matching contributions, you cannot withdraw that money prior to age 59½.

SECTION 4 Age 59½ Withdrawals

Once you reach age 59½, you may withdraw part or all of your vested Plan account at any time.

SECTION 5 Hardship Withdrawals

If you are younger than age 59½, you may withdraw your pre-tax contributions and earnings on pre-tax contributions made before 1989 *only if* you experience financial hardship as defined by the IRS. In general, the IRS considers a financial hardship to exist if you have no other resources reasonably available to meet the need of an immediate and heavy financial burden. This kind of need may include:

If you experience certain financial hardships, you can withdraw money from your account. If you do, you have to stop contributing to the Plan for six months.

- Funds needed to purchase your primary residence;
- Funds needed to prevent your eviction from, or foreclosure on the mortgage of, your primary residence;

- Expenses for the repair of damage to your principal residence, to the extent that such expenses are the type that would qualify for the IRS casualty deduction;
- Funeral expenses for your deceased parents, your spouse and/or your dependents;
- Post-secondary tuition expenses and related educational fees for you, your spouse, or your dependents for the next twelve months only, and
- Unreimbursed medical expenses (incurred or to be incurred) for yourself, spouse or dependents, to the extent that such expenses are the type that would be tax deductible by you.

The following rules apply to hardship withdrawals:

- The amount of the withdrawal cannot be greater than your financial need, although it can include amounts you may need to pay any applicable income taxes and penalties.
- Before obtaining a hardship withdrawal, you must exhaust all loans and other distribution options available under this and any other plan sponsored by the Company or an affiliate.
- Your pre-tax contributions (and any other elective contributions under a plan sponsored by the Company or an affiliate) will automatically be suspended for the six-month period following the date of your withdrawal. You must make a new election after the end of the six-month period to resume making contributions to the Plan.

For *all* withdrawals, including Hardship withdrawals, you must contact Mercer HR Services at 1-800-356-9240.

You are responsible for paying ordinary income taxes on the amount of your withdrawal in the year you receive the distribution. A penalty tax of 10% – *in addition* to ordinary income tax – also may apply if you make the withdrawal before reaching age 59½. Hardship withdrawals may not be rolled over. (See “How Taxes Affect Your Benefit” for information about withholding and penalty taxes.)

ARTICLE IX – Account Information

SECTION 1 Quarterly Statements

Plan account statements are available on the Plan's website, www.ibenefitcenter.com. If you have an email address on file you will receive notification when your quarterly statement is available online. Your quarterly statement shows the following:

- The amount of pre-tax contributions you made
- The amount of matching contributions credited to your account
- The percentage of your total contribution that you are allocating to each investment fund
- Opening and closing balances for each investment fund
- Any loans you have taken or payments you have made, including loan balances
- Any withdrawals you have made, and
- The amount of fees you have paid.

Once each quarter, you can receive a statement showing the status of your plan account. Keep your statements in a safe place so you can keep track of the growth of your 401(k) savings.

You may view your account balance online each day at www.ibenefitcenter.com. To receive a quarterly statement by mail you must contact Mercer at 1-800-356-9240 and request a mailed statement.

SECTION 2 Voice Response System and Web Site

Current information about your account is available daily through a toll-free number at 1-800-356-9240 or online at www.ibenefitcenter.com. These Plan access features are available 24 hours a day, seven days a week. You may also speak with a Plan representative at that number between 8:30 am and 6:30 pm Eastern Time, on any business day.

Information about your account is available 24 hours a day by calling Mercer HR Services at 1-800-356-9240 or by logging onto www.ibenefitcenter.com.

ARTICLE X – How Taxes Affect Your Benefits

The 401(k) Plan enjoys certain tax advantages because it is intended to be a long-term savings program for retirement. For example, under current federal income tax law, your money is not taxable while it is held in the Plan. You will owe income taxes on your distribution when you receive payment of your benefits.

Although you are not taxed on your savings while the money remains in the 401(k) Plan, you'll have to pay income taxes when you receive a distribution.

Prior to receiving a distribution, you will receive a detailed notice that describes many of the tax rules that apply. A general description of the rules is provided in this section of the SPD. Before deciding how to receive your Plan distribution, you should review the detailed tax notice and seek the advice of your attorney or investment advisor.

In addition to ordinary income taxes, you also may owe a 10% penalty tax depending on when and under what circumstances you receive a distribution. The 10% penalty tax will *not* apply in these situations:

- Your account is paid to you after age 59½
- Your account is paid to you after you retire from the Company during or after the year in which you reach age 55
- Your account is distributed in approximately equal installments over your life expectancy (even if you leave the Company before age 55)
- Your account is paid because you become disabled or die

- Your account is used to pay medical expenses eligible to be deducted on your year-end federal income tax return
- Payment is directed to another person by a qualified domestic relations order, or
- You direct the Plan Administrator to transfer your entire account to an IRA or another *qualified* employer-sponsored plan.

When you are eligible to receive a distribution from the Plan, you have several choices:

- You can elect that the Plan directly roll over your eligible rollover distribution (generally, a lump sum or payments made over a period of less than 10 years, excluding a hardship distribution) to another eligible retirement plan or IRA (other than a SIMPLE IRA or Coverdell Education Savings Account). In this case, you will avoid paying the 10% penalty. You will also avoid paying ordinary income taxes currently if you rollover the taxable portion to another eligible retirement plan or a traditional IRA. You will be subject to ordinary income taxes if you elect a rollover to a Roth IRA. In addition, if you are married you must file a joint tax return with your spouse. You must elect a direct rollover before you receive your benefits.
- You may choose to receive some or all of your distribution. In this case, the Plan is required to withhold 20% of the taxable amount you receive to be applied toward your taxes. You can still roll over the remaining amount into another qualified plan or IRA within 60 days, and you will defer taxes on that amount. You also may roll over 100% of your distribution. However, you will have to find other money to replace the 20% that is withheld.

ARTICLE XI – Claims Information

SECTION 1 Filing a Claim

You must apply to receive benefits from the Plan. To apply for benefits, you must contact Mercer HR Services by calling 1-800-356-9240. If you die, your beneficiary must contact the Human Resources Department. Benefits are paid as soon as possible after you or your beneficiary file a claim. If you defer receiving your benefits after you leave the employment, keep the Company informed of any address changes so you can continue to receive information about your Plan account.

*There are specific procedures for filing claims and settling disputes. See **Article XII**.*

If your claim for benefits is denied, you have certain rights under the law. For more information, see the description of your rights under Benefit Denial and Appeal.

ARTICLE XII – Other Important Facts About the Plan

SECTION 1 Circumstances Which Could Affect Your Benefit

Benefits may be denied, lost or suspended, or you may not qualify or be eligible for benefits, under the following circumstances:

- You are not eligible to participate in the Plan
- If a benefit under the program cannot be paid because you or your beneficiary cannot be found, the benefit will be forfeited in certain circumstances. If the payee is located at a later date, benefits which were due but could not be paid will be paid in a single sum and the right to future benefits will be reinstated in full
- If you receive a benefit payment in excess of the amount which you are owed, the excess will be returned to the Plan. The Plan Administrator may do this by either (1) reducing future Plan payments owing to you until the excess is recovered or (2) requiring you or your beneficiary to repay the excess to the Plan
- If a Company contribution is made by reason of a mistake of fact, the Company can recover the contribution
- If a tax deduction for a Company contribution is disallowed, the Company contribution can be returned to the Company.

Other circumstances which could affect the amount of your benefit include:

Limitations on Contributions. Federal law limits the amount of contributions that may be made to the Plan. If these limitations affect you, you will be notified.

Military Leave. It's your responsibility to notify the Company as soon as possible if you are going to go on military leave. If you leave work for a qualified military leave, you may make additional contributions when you return to work to make up for the period when you were on leave (provided you return to work for the Company within the time period prescribed by federal law for protection of your reemployment rights). You will receive service credit while on qualified military leave.

Plan Insurance. Unlike your benefit in the Pension Plan, your Plan benefit is not insured by the Pension Benefit Guarantee Corporation (PBGC) because your benefit is determined solely based upon contributions to the Plan and gains and losses thereon.

Assignment of Benefits. Your Plan benefit is not assignable or alienable. Your creditors cannot claim your account to satisfy debts. However, a court may order all or a portion of your account be paid to an "alternate payee" (such as a former

spouse, minor children, etc.) under a Qualified Domestic Relations Order. The Plan Administrator determines whether a domestic relations order is qualified pursuant to certain procedures under the Plan. You or your beneficiary can obtain, without charge, a copy of these procedures from the Plan Administrator. You should contact the Plan Administrator when you become aware of any court proceedings that may affect your benefits so that appropriate action may be taken.

In addition, if you commit a crime against the Plan, a court may order, or a legal settlement between you and a governmental agency may provide, that all or a portion of your benefit will be paid to the Plan.

SECTION 2 Interpretation of the Plan

The Plan Administrator has full authority to interpret the provisions of the Plan and this SPD. While the SPD is intended to be complete and accurate, remember that it is only a summary of the Plan's provisions. In interpreting this SPD, the Plan Administrator will rely on the governing Plan document. In the event of any conflict between this SPD and the Plan document, the Plan document will always control. The explanations in the SPD cannot alter, modify, or otherwise change the controlling Plan document, nor can any rights accrue by reason of any statements or omissions in the SPD.

The Plan Administrator's decisions regarding the interpretation of the Plan document and SPD and all questions that may arise thereunder as to the status and rights of participants and others, are conclusive and binding on all persons. The Plan Administrator may, however, appoint and delegate some of its interpretation and decision-making authority to other individuals. The Plan documents are available for review in the Human Resources Department during normal business hours.

SECTION 3 Benefit Denial and Appeal

If all or part of your claim for benefits is denied, or if there is a dispute regarding your right to participate in the Plan, the Plan Administrator will notify you in writing of the specific reason or reasons for the denial of your claim or the decision with respect to your participation. The notice will reference the appropriate Plan provision or provisions on which the denial or decision is based, include a description of any additional material or information necessary to perfect the claim and an explanation of why such material or information is necessary, and inform you of your right to sue in federal court if your claim is denied on appeal.

The notice will also describe how claims are reviewed and outline the steps for requesting review of your claim. Usually the written notice will be issued within 90 days of receipt of your claim. However, due to special circumstances, some cases may require an additional 90 days to review. You will be notified if additional time is required for review of your claim.

If you or your beneficiary disagrees with the decision of the Plan Administrator, you have 60 days after receiving the notice of denial to request a review of your case by the Plan Administrator. As part of the appeal review procedures, you or your beneficiary will be allowed to:

- submit additional documents, records, and information relating to the claim;
- request access to and receive copies (free of charge) of all Plan documents, records, and other information affecting the claim;
- appeal the denial in writing; and
- have someone act as your representative in the appeal procedure.

The Plan Administrator's review of a claim on appeal will take into account all comments, documents, records, and other information relating to the claim submitted in connection with the appeal, without regard to whether such information was submitted or considered in the initial claim determination.

The Plan Administrator will usually give its final decision within 60 days after receipt of your request for review. However, some cases may require an additional 60 days to review due to special circumstances. You will be notified if additional time is required to review your claim. You will be notified by mail of the Plan Administrator's final decision and the specific reasons for the decision. If the Plan Administrator denies the claim on appeal (in whole or in part), the notice will inform you (or your beneficiary) of the right to receive (upon request and free of charge) copies of all documents, records, or other information that were submitted to the Plan, considered by the Plan, or generated in the course of making the benefit determination and your right to sue in federal court.

The Plan Administrator has full discretion and authority to determine all claims under the Plan. Any action or determination in the review procedure will be final, conclusive, and binding on all participants and beneficiaries and their representatives.

ARTICLE XIII – Administrative Information

Plan Name

The official name of the plan is the *Mack-UAW 401(k) Plan*.

Plan Type

The Plan is a defined contribution plan with a 401(k) feature.

Plan Sponsor and Plan Administrator

The Plan Sponsor and Plan Administrator is:
Mack Trucks, Inc.
7900 National Service Road (27409)
P.O. Box 26115
Greensboro NC 27402-6115

Plan Trustee

The Trustee is:
Mercer Trust Company
1 Investors Way
Norwood, MA 02062.

Employer Identification Number (EIN)

22-1582040

Plan Number

012

Plan Year

The Plan year is January 1 to December 31

Agent for Service of Legal Process

For disputes arising under the Plan, service of legal process can be made upon the Plan Administrator or the Plan Trustee.

ARTICLE XIV – Your Rights Under ERISA

As a participant in the *Mack-UAW 401(k) Plan*, you are entitled to certain rights and protections under federal law as stated in the Employee Retirement Income Security Act of 1974 (ERISA). ERISA entitles you as a plan participant to:

- Examine, without charge, at the Plan Administrator's office and at other specified locations, all Plan documents, including copies of all documents filed by the plan with the U.S. Department of Labor, such as detailed annual reports and plan descriptions.
- Obtain copies of all Plan documents and other plan information upon written request to the Plan Administrator. The Plan Administrator may charge a reasonable amount for the copies.
- Receive a summary of the Plan's annual financial report. The Plan Administrator is required by law to furnish each participant with a copy of this summary annual report.

Quarterly Statements

If you are a member of the Plan, you have a right to receive a quarterly statement at no charge to you. If the statement is not provided automatically, you may request it in writing.

Obligations of Fiduciaries

In addition to creating rights for Plan participants, ERISA imposes duties upon the individuals who are responsible for the operation of the Plan. These individuals are called fiduciaries. They have a duty to operate the Plan prudently and in the interest of you and other Plan participants and beneficiaries.

Provisions for Legal Action

No one, including your employer or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a benefit or exercising your rights under ERISA. If your claim for a benefit is denied in whole or in part, you must receive a written explanation of the denial. You have the right to have the Plan Administrator review and reconsider your claim.

Under ERISA, you can take steps to enforce the rights outlined above. For instance, if you request materials from the Plan and do not receive them within 30 days, you may file suit in a federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Plan Administrator.

If your claim for benefits is denied or ignored, in whole or in part, you may file suit in a state or federal court. In addition, if you disagree with the Plan's decision or lack thereof concerning the qualified status of a domestic relations order, you may file suit in Federal court. If it should happen that Plan fiduciaries misuse the Plan's money or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

Assistance with Your Questions

If you have any questions about your Plan, you should contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Plan Administrator, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, by calling the toll-free hotline at 866-444-EBSA (3272). You will be automatically transferred to the nearest EBSA office (based on the area code of the telephone used to place the call). Alternatively, you may write to the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, D.C. 20210. You may also obtain

certain publications about your rights and responsibilities under ERISA by contacting the EBSA by telephone or mail (at the number and address stated above) or through the internet at www.dol.gov/ebsa.

ARTICLE XV – A Final Note

The Company intends to continue the 401(k) Plan indefinitely, but reserves the right to discontinue or change the Plan at any time and for any reason by action of its Board of Directors or its delegate. (Of course, the 401(k) Plan is part of the collective bargaining agreement, and any amendment or Plan termination during the contract would be subject to the collective bargaining process.) If the Company terminates the Plan for any reason, the assets in the Plan will be used for the exclusive benefit of Plan members and beneficiaries. If the Plan terminates or partially terminates, you will receive a distribution of your plan account according to the terms of the official Plan document.

This booklet is a Summary Plan Description of the Mack-UAW 401(k) Plan. It highlights the main provisions of the Plan but is subject to the terms of the legal Plan document. Where this description and the official Plan document vary in the description of the Plan, the Plan document is the final authority.

This description of the 401(k) Plan is not an employment contract or any type of employment guarantee.

Appendix A

Mack-UAW 401(k) Plan Loan Program

1. This Loan Program is effective for loans made on or after November 1, 2007. Loans issued prior to that date are subject to their original terms. Terms not defined herein have the same meaning as in the Plan's summary plan description.
2. **Administration** The Plan Administrator is authorized to administer the Loan Program, and to prescribe such forms and regulations as it considers necessary or appropriate to administer the Loan Program. The Plan Administrator has directed Mercer to act as its agent to administer the Loan Program in accordance with the Plan Administrator's prescribed forms and procedures. The Company may amend or terminate the Loan Program at any time.
3. **Conditions and Limitations Applicable to All Loans**
 - A. **Eligibility** You may apply for a loan if you are an active participant who has a vested account balance in the Plan. By applying for a loan, you are certifying that the proposed borrowing is for your own purposes and not for the benefit of any other party-in-interest to the Plan (such as an Employer or any Plan fiduciary). No more than one loan may be outstanding from the Plan at any time.

B. Maximum Principal Amount The maximum principal amount of any loan cannot exceed the following limits:

- *Dollar limit.* The principal amount cannot exceed \$50,000, reduced by any outstanding loan balance on the day the loan is made (or, if greater, the highest outstanding loan balance during the one-year period ending on the day before the day the loan is made).
- *Percentage limit.* As of the day the loan is made, the principal amount, when added to the amount of any other Plan loan outstanding, cannot exceed 50% of your vested Plan account balance.

For purposes of these limits, your outstanding loan balance is determined by aggregating any loan you may have under all qualified plans maintained by members of the Company's controlled group.

C. Minimum Principal Amount The minimum principal amount of any loan is \$1,000 (one thousand dollars). Loans will only be issued in \$1.00 (one dollar) increments. The repayment period you choose must be in 1 month increments.

D. Duration The repayment period of any general purpose loan will be no more than 5 years. The repayment period of a primary residence loan will be no more than 10 years.

E. Repayment Method A loan will generally be repaid in substantially equal installments by payroll deduction from each paycheck. Loan repayments are made in after-tax dollars. Partial pre-payment of your outstanding balance is not permitted.

F. Timing of Repayment Repayment will begin as soon as administratively practicable following the loan issuance.

G. Plan Accounting The distribution of the proceeds of a loan will be charged solely against your account, and all repayments of principal and interest will be credited solely to your account in accordance with the requirements of the Plan. The unpaid principal balance of a loan will be reflected as a receivable for your account. An origination fee of \$35 will be charged against your account at the time that you take your loan. An annual maintenance fee of \$20 will be charged against your account on a quarterly basis pro rata for each year your loan remains outstanding.

H. Interest Rate As determined by the Company, the interest rate for a loan will be the Prime Rate as listed in The Wall Street Journal on the 3rd business day of the month in which you request the loan, plus 1%. The interest rate so determined will remain fixed throughout the duration of the loan. Loans granted at different times may bear different interest rates.

- I. Security** Each loan will be secured by the assignment of up to 50% of your vested account balance, not to exceed the amount of your loan. No other security will be required or accepted.
- J. Loan Default** If you fail to make an installment payment on your loan when due, the Plan Administrator will arrange for Mercer to provide you written notice of your right to cure this failure by making up missed payments or repaying the loan in full. If your failure to make an installment repayment continues after such written notice has been provided, the Plan Administrator shall inform Mercer of a default in your repayment of the loan. Such default will occur no later than the last business day of the calendar quarter following the calendar quarter in which your last payment was received. This will result in a deemed distribution for federal income tax purposes (i.e., a distribution subject to applicable taxes and penalties), and the Internal revenue Service will be notified of such distribution. The amount of the distribution equals the entire outstanding balance of the loan (including accumulated interest) at the time of the default. The Plan is authorized to offset this amount against your account at the time you are eligible for a distribution from the Plan.
- K. Termination of Employment** If you terminate employment with an outstanding loan, you will have 90 days from your termination of employment to repay your loan in full. If you do not repay your loan in full by that time, the unpaid loan balance will be treated as a deemed distribution paid directly to you and will therefore be subject to applicable taxes and penalties. Additional, the Internal Revenue Service will be notified that you received a distribution from your account.
- L. Repayment in Full** As noted above, partial prepayments are not permitted. However, you may pay off the entire balance of the loan at any time without penalty or service fee by sending a certified check made payable to Mercer Trust Company, Trustee of the Plan. Please reference your name and social security number on the check and mail it to the following address:
- | | |
|--|---|
| <p><u>US Postal (including USPS Express Mail)</u>
 Mercer
 Attn: Mack-UAW 401(k) Plan
 P.O. Box 9740
 Providence, RI 02940-9740</p> | <p><u>Other Courier Mail</u>
 Mercer
 Attn: Mack-UAW 401(k) Plan
 Investors Way
 Norwood, MA 02062</p> |
|--|---|
- M. Suspension** If you go on an authorized unpaid leave of absence of up to one year, you may contact Mercer HR Services at 1-800356-9240 to request a repayment suspension for this period. You will be required to make up the missed payments by either of the following options (as you elect): (1) making a catch-up loan payment when your leave of absence ends, or (2) having the Plan reamortize your outstanding loan over the remaining portion of the original loan term.

- 4. Application Procedure** You may request a loan by phone at 1-800-356-9240 or through the internet at www.ibenefitcenter.com any day. You will be told the maximum amount you may borrow, the interest rate that will apply and the amount and number of payroll deductions required to repay your loan based on its term. If you direct a loan be made to you from the Plan on the terms described, a Truth in Lending Disclosure Statement explaining the financial terms of your loan will be mailed to you, along with a check for the amount of your loan.

If you would like to request a loan with a loan term of longer than five (5) years to purchase a principal residence, you must obtain a Primary Residence Verification form by contacting Mercer at the toll-free number above.

- 5. Approval or Denial** Your loan application will be reviewed by a representative and may be approved only to the extent that the loan requested complies with the requirements of this Loan Program. To the extent that a loan application is denied, the representative will inform you of the reason(s) for the denial, with specific reference to the requirements of the Loan Program upon which the denial is based. If you are denied a loan, you may discuss this with the Company.

- 6. Promissory Note and Security Agreement** *By cashing or depositing the check for your loan, you will be agreeing to repay the loan in accordance with the terms of the Truth In Lending Disclosure Statement provided to you at that time and this Loan Program. Together you're endorsed or negotiated loan check, Truth In Lending Disclosure Statement, and this Loan Program will constitute your Promissory Note and Security Agreement with respect to your loan. Without limiting the foregoing, this means that:*

- *You will agree that your loan payments (including interest and other finance charges) will be made by payroll deduction as provided in the payment schedule of the Truth In Lending Disclosure Statement.*
- *You will assign and grant to the Plan a security interest of up to 50% of your vested account balance, not to exceed the balance of your loan immediately after it is made, as security for prompt and full repayment of the loan.*

If for any reason you do not wish to accept the loan on the terms of this Loan Program and the Truth In Lending Disclosure statement, do not cash or deposit the check. Mark the front of the check "VOID" and return it immediately to Mercer. Returned checks will be reinvested in your account on a current market basis, not retroactively to the date the loan was issued.

Your Truth In Lending Disclosure Statement, together with this Loan Program, is your permanent record of the terms of your loan. Keep it with your financial records. Your regular participant statement will show how much you have repaid on a loan, and how it has been reinvested.



**MACUNGIE OPERATIONS
SUPPLEMENTAL AGREEMENT**

between

MACK TRUCKS, INC.

and the

**International Union,
United Automobile,
Aerospace and
Agricultural Implement
Workers of America,
UAW
Local No. 677**

October 25, 2019 — October 1, 2023

UAW - 000354

JA001085

**MACUNGIE OPERATIONS SUPPLEMENTAL AGREEMENT
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**MACK TRUCKS, INC.
MACUNGIE SHOP LOCAL SUPPLEMENT
International Union
United Automobile, Aerospace and
Agricultural Implement Workers
of America UAW
and its Amalgamated
Local No. 677**

This Supplemental Agreement, made this 25th day of October, 2019, by and between Mack Trucks, Inc., a Pennsylvania corporation (hereinafter designated as the "Company") and the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America, UAW, on its own behalf and behalf of its Amalgamated Local No. 677 (hereinafter designated collectively as the "Union"), covering employees in its shop bargaining unit at Macungie, Pennsylvania.

WITNESSETH:

That the parties hereto mutually agree as follows:

ARTICLE 1 - RECOGNITION

All production, non-production and Skilled Trades employees at the Company's Macungie, Pennsylvania Plant, but excluding executives, directors, business team leaders, supervisors, production engineers, draftsmen, designing, planning and estimating engineers, plant protection employees and office employees.

**ARTICLE 2 - UNION SHOP AND CHECK OFF
(See Master Agreement)**

ARTICLE 3 - REPRESENTATION

SECTION 1

The Union shall be represented in the facility by the President of the Local Union, the Shop Chairperson and six (6) Bargaining Committeepersons, who shall be elected by the Macungie Shop Unit. At the time of their election or appointment to office, all Union representatives shall be employees of Mack Trucks, Inc. The Union will provide written notice that an employee is authorized to act on behalf of the Union and the Company will then recognize the employee as a Union representative permitted to function as provided in this Agreement.

SECTION 2

The six (6) Bargaining Committeepersons shall represent specific areas to be determined by the Union on a reasonable basis and submitted to the Company thirty (30) days in advance of the posting for Committeeperson elections.

SECTION 3

- (a) The President and Shop Chairperson will work full time on proper Union representation activities as provided in Mack/UAW Agreements. They shall be paid at their regular rate, by the Company for time so spent, for up to eight (8) hours each regular work day, Monday through Friday, except as otherwise provided in Article 13.
- (b) In addition, the President and Chairperson may perform duties and responsibilities relative to the position which are not covered by UAW Mack Agreements. However, it is recognized their primary and foremost responsibilities are the UAW Mack Agreements.
- (c) The Committeepersons will work full time as Union representatives, including functions specified in the grievance procedure. They shall be paid by the Company for time so spent for up to eight (8) hours on each regular work day, Monday through Friday, except as otherwise provided in Article 13.

SECTION 4

- (a) A Vice Shop Chairperson and Vice President will be elected or appointed and their duties will be the same as the elected Chairperson and President, respectively, and will be permitted to function when the principal(s) is/are absent from work. The Union will notify the Human Resources Department as far in advance as possible when the Vice Shop Chairperson or Vice President is scheduled to act in place of the Chairperson or President.
- (b) An Alternate Committeeperson for each member of the Bargaining Committee will be elected or appointed whose duties will be the same as the Committeeperson. The Alternate Committeeperson will be permitted to function when the regular Committeeperson is absent from work. The Union will notify the Human Resources Department as far in advance as possible when an Alternate is acting in place of a Committeeperson. During the 2001 Local Labor negotiations, the Union requested that additional Union representation be permitted during periods of production rate changes which impact plant mannings. It was agreed by the parties that additional meetings would be required after ratification to further discuss this issue to establish the parameters within which the alternate Union committeepersons might operate during such periods.
- (c) The provisions of this Section 4 will also include the appointment of an Alternate when either the Principal and Alternate in Sections (a) and (b) above are absent.

SECTION 5

- (a) No employee shall stop their assigned work for any purpose related to the investigation or settlement of a grievance without promptly requesting permission of their Supervisor, which shall be granted within a reasonable time.

- (b) Bargaining Committee persons when working overtime as Committee persons may perform their normal functions as described in this Article, but will not interrupt the work of employees other than to discuss a grievance that occurs during the overtime period.
- (c) Should the Company believe representation time is being abused, a meeting must be called with the Local Representatives and the International Representatives to allow the Union to correct such alleged abuse.

ARTICLE 4 - NOTIFICATION
(See Master Agreement)

ARTICLE 5 - GRIEVANCE PROCEDURE
(See Master Agreement)

SECTION 6

Company's Step 2 representative -- Department Manager or designee.

ARTICLE 6 - SENIORITY

SECTION 7

- (a) In the case of employees commencing work on the same date, order of seniority among the employees shall be determined by using the last four digits of each employee's social security number. In other words, the employee with the lower social security number shall be deemed to have the greatest seniority. An employee shall be given an identification badge on the date the employee actually commences work.
- (b) In the case of employees whose probationary period is completed on the same date, order of seniority among the employees shall be determined by using the last four digits of their social security number, i.e., the employee with the lowest social security number shall be deemed to have the greatest seniority.
- (c) In the case of employees hired prior to October 28, 1992 and who commenced work on the same date, seniority will be determined by reference to the time stamp on the employees' application forms, i.e., the employee with the earliest date and time stamped will have the greater seniority.
- (d) When it becomes necessary for the Company to hire new employees who possess the special skills required for the performance of a particular classification, the employee shall not be permitted to bid out of the classification until all employees with greater seniority have been recalled. Prior to hiring new employees, laid off employees acquiring special skills required for the performance of a particular classification through verifiable certified training programs, will be given the

opportunity.

(e) When it becomes necessary for the Company to hire new employees due to a particular skill the employee has work experience in, the Company will notify the new employee prior to the employee's hire of the fact that the employee is being hired for that particular skill and the conditions involved with the position. A letter will be given to the employee signifying the skill for which the employee was hired with copies forwarded to the Union and the employee's personnel file. The skills in this Section applicable are painter, sheet metal finisher, welder, and **material tech inspectors**. The new employee will be subject to the same terms and conditions of employment during the probationary period as other new hires and will be accorded all contractual provisions subsequent to that period with the following exceptions:

1. The new employees will only be able to exercise their seniority if they are excessed or bumped off the skills position for which they were hired. (Locked into twenty-four (24) month skills letter.)
2. Should the employee not be in the job for which the employee was hired, and should the Company be unable to fill a vacancy by either returning a home spot or through the job posting procedure in the classification for which the employee was hired and notified, the Company shall have the right to transfer the employee from the employee's job to such vacancy.
 - (a) The Company will effect this transfer by utilizing the least senior employee hired for that particular classification.
 - (b) Should the transferred employee have an established home spot in a classification from which the employee is transferred, the employee will retain that home spot and be returned to it when the employee is released from the job the employee was transferred to, seniority permitting.
 - (c) Should the employee be transferred from a job for which the employee does not have a home spot, the employee will be returned to the last job the employee left when the employee is released, seniority permitting.
 - (d) The Company is limited on transferring any employee under this Section for a period of twenty-four (24) months.

SECTION 8

- (a) The Bargaining Chairperson shall continue to work as long as there is work in the Macungie Shop.
- (b) Bargaining Committeepersons shall continue to work in their respective representation district, provided that there are employees working in the district.
- (c) The President shall continue to work as long as there is work in the Macungie Shop, Allentown Engineering or Allentown Office provided that there are employees still at work.
- (d) The Bargaining Chairperson and Bargaining Committeepersons shall be recalled

when one (1) or more employees have been recalled to their respective district.

- (e) The President shall be recalled when one (1) or more employees have been recalled to the Macungie Shop, Allentown Engineering or Allentown Office.
- (f) The Bargaining Chairperson, the President, and Bargaining Committee persons shall remain in their classification, department and shift as long as there is work.
- (g) The President shall exhaust his/her seniority within his/her "home" bargaining unit before exercising his/her seniority rights under (c) above in a different bargaining unit.

SECTION 9

Credited service information will be included on the employee benefit questionnaires and distributed to all employees no later than June 1 of each year.

ARTICLE 7 - LAYOFF & RECALL

SECTION 10

- (a) In cases of layoffs other than those designated in Section 11 of this Article, before any employee having seniority shall be laid off, all probationary employees shall first be terminated unless there are no seniority employees available to take the jobs held by the probationary employees.

SECTION 11 - Temporary Layoffs

- (a) (1) Temporary Layoffs are those arising out of conditions which at the time the layoff occurs enable the Company to advise the employee that the employee will be recalled during a period not in excess of thirty (30) consecutive calendar days, unless it is mutually agreed between the Company and the Union to extend the layoff beyond the aforementioned thirty (30) days. Temporary layoffs shall mean temporary adjustments of the work force due to conditions beyond the control of the Company which may be made without the application of the layoff provisions of this Agreement.
- (2) Probationary employees will be laid off in the department, area, classification and on the shift where the layoff occurs.
- (3) Employees who have elected to be laid off in accordance with the provisions of (b)(1) below will be laid off in the department, area, classification and shift where the layoff occurs beginning with the most senior employee, until the required number of employees in the affected department, area, classification and shift is exhausted.
- (4) If a sufficient number of employees to meet the layoff requirement is not obtained through the application of (2) and (3) above, employees as of the effective date

of the layoff will then be laid off by shift in the department, area, and classification where the layoff occurs, beginning with the least senior employee. Once a layoff has been implemented, **no additional hours (overtime) may be worked in that area of where the layoff is** occurring until the employee is recalled.

- (5) Employees will be recalled in the following order **department, area, classification, and shift:**
- (i) By seniority beginning with the least senior employee laid off under (4) above.
 - (ii) In seniority order beginning with the most senior employee laid off under (3) above.
 - (iii) Probationary employees **may** be recalled.
- (b) (1) Employees with seniority may indicate their desire to be laid off, in the event of a temporary layoff, by following the procedure indicated below:
- (i) Employees may complete an **electronic or a triplicate form**, to be supplied by the Company, indicating their preference.
 - (ii) Once an election has been made, it may be changed once every thirty (30) **calendar** days.
 - (iii) Changes in elections to be laid off will become operative seven (7) calendar days subsequent to the election dates.
- (c) The Company will not incur any liability from the operation of the procedure except in regard to a claim that a more senior employee was laid off instead of a lesser senior employee, except when the claim involves contention as to whether or not the employee had elected to be laid off.
- (d) The Company will not work overtime in a department/area affected by this Section without mutual agreement between the parties with the following exceptions:
- (1) When employees who are affected by a temporary layoff are needed as a support force for a department/area which is not directly affected by a temporary layoff.
It is understood that the number of support forces working overtime will not exceed the number that is required for support during the normal hours of work when a temporary layoff is not in effect.
- (e) Should the temporary layoff continue in excess of five (5) working days, the Union may, in writing, request the Company to adjust the work force in accordance with the provisions of this Article 7 and the Company will do so within five (5) working days thereafter.
- (f) During scheduled down weeks, the Flex Pool classification may be assigned to

supplement the Offline Department.

SECTION 12 - SHIFT CURTAILMENT

- (a) In the event there is a temporary cessation of work (partial shift curtailment), the Company may layoff affected employees for the balance of the shift and up to **five (5) consecutive workdays in a given week**. Curtailments are limited to a maximum of thirty **(30) working days / sixty (60) events** per employee per calendar year.

An event is a layoff for four (4) hours or less. A layoff of four (4) to eight (8) hours will be considered two (2) events.

Curtailments will be implemented when necessary **by department, area, classification, and shift**. Examples of major line departments are Conventional Department, COE Department or Offline Department. Partial shift curtailment is not intended to be implemented in lieu of rate changes or "down" weeks.

During partial shift curtailment occurrences affected sub assembly areas will work until production requirements are achieved.

(b) Procedures for implementation:

- (1) **Entire departments and/or areas** will end production at the designated times, affecting both production techs and assigned production techs-flex. **Material Departments and/or areas will also follow the affected department and or areas. All probationary employees within the affected Department, area, classification, shift will be curtailed first.**
- (2) If a need exists within the affected **department, area, classification, and shift** for additional tasks to be completed during the curtailment period, that are not signed up for temporary layoff per Article 7, Section 11(a)(1) will be assigned the work.
- (3) An employee who has reached the **thirty (30) working days / sixty (60) events** annual maximum **per calendar year** must notify their supervisor for reassignment if affected by a **sixty-first (61st) event**.
- (4) The flex technicians in the curtailed area may be retained for reassignment.
 - (a) Flex that are in a curtailed area that are signed up for temporary layoff will be released first unless all Flex are signed up and then the most junior may be retained for reassignment.
- (5) Partial shift curtailment will not require the two (2) hour penalty for refusal of offered overtime Re: Short Work Week

In cases of dispute as to whether an employee has the necessary qualifications to do an available job, the employee shall be given a five (5) day trial period at that job with instructions as would normally be given a qualified employee starting the job.

- (c) An employee who fails to qualify shall be placed on an open available job the employee is capable of performing, or in the event there is no such job, the employee shall be placed on a job then filled by the least senior employee in the unskilled classifications.

SECTION 13

- (a) In the event of a curtailment, excess employees from the affected assembly area(s) will be transferred to other assembly areas if required. The least senior employees shall be transferred first and will return to the job from which they transferred in seniority order as the production level on the affected assembly area(s) resumes.

SECTION 14 - GENERAL LAYOFF

In the event of a general layoff, the Company shall meet with the Bargaining Committee and shall furnish the Bargaining Committee with appropriate information concerning the layoff, and shall also furnish the Chairperson of the Bargaining Committee with an electronic list of employees to be laid off not less than forty-eight (48) hours in advance of the layoff. The Company shall also furnish the Chairperson of the Bargaining Committee an electronic list of employees who are to be recalled to work, prior to the return of the employees to work. In the event of a temporary layoff, as outlined in Section 11 of this Article, notice of layoff shall be given to the Chairperson of the Bargaining Committee as much in advance as possible.

MPL rest of General layoff (except medical language which is in a new medical proposal)

- (a) In the event of a production curtailment, excess employees from the affected assembly area(s) will be transferred to other assembly areas if required. The least senior employees shall be transferred first and will return to the job from which they transferred in seniority order as the production level on the affected assembly area(s) resumes.
- (b) For the purpose of this Agreement, home spot is defined as the employee's department, area, classification and shift recognized by the Company's records on the effective date of the contract, or any subsequent group or classification acquired by bidding or waiver. An employee can have only one (1) home spot at any given time.
- (c) Employees may waive their home spot by submitting written notice on a form supplied by the Company to the Human Resources Office. All forms shall be time and date stamped at the time of submission and a copy will be sent to the Union. All home spot waivers submitted prior to the end of the regular work shift on Tuesday will be effective at the end of the shift that Tuesday.

- (d) If an employee on layoff is recalled and refuses a job the employee is capable of performing, the employee shall be considered as a voluntary quit.
- (e) An employee cannot sign a home spot waiver while the employee is on a temporary job bid. An employee who bumps into a group must have seniority over a permanent employee to sign a home spot waiver.
- (f) An employee's waiver can only be cancelled by being called back to his/her home spot and physically moved prior to the end of his/her regular work shift on Tuesday.
- (g) Probationary employees shall not establish a "home spot" until they establish a home through posted notice or job waiver at the end of the probationary period when they attain seniority. Probationary employees shall establish a home spot per Article 8, Section 20 upon completion of their probationary period if they are the successful bidder on a job between the 31st and 90th day of their probationary period before obtaining seniority.

SECTION 15

- (a) In the event of any increase or decrease in the number of employees within a group, classification or shift, the Company will notify the Chairperson of the Bargaining Committee forty-eight (48) hours in advance.
- (b) Whenever curtailment of work shall require a reduction in the number of employees, but shall not require an actual layoff because of the availability of work, the employees affected may immediately exercise their seniority on a plant-wide basis.
- (c) Once any layoff has been implemented, no additional hours (**overtime**) may be worked until the employee is recalled.

SECTION 16

Employees returning from any extended absence (e.g., covered by Accident and Sickness benefits, workers' compensation benefits, absences of five (5) or more work days, or absences due to surgery or hospitalization of any duration) from the plant will be required to clear through the medical department prior to returning to work. The employee will be compensated for the time spent in the dispensary.

SECTION 17

- (a) Any employee remaining at work after a layoff with less seniority than laid off employees will be excluded from exercising bidding rights until all employees with greater seniority have been recalled.
- (b) No employee shall have the right to take a layoff as long as there is a less senior employee on a job that the employee is capable of doing, except as modified by Sections 11 and 18 of this Article.

- (c) Employees who have been determined by the Company Medical Department to be unable to perform the work of their regular job, as a result of a work related or non-work related illness or injury, **may either be medically placed in a job that they are able to perform all functions or assigned to** transitional work through the application of the following procedures:

1. Based upon a review of the employee's medical condition, the Medical Department will determine work restrictions and refer the employee to the Facility.

Medical Placement Committee for appropriate placement. The Company physician will abide by the employee's treating physician's restrictions upon the employee's initial return to work until Article 7, Section 17 (e) takes effect.

2. The Facility Medical Placement Committee, consisting of a representative of the Medical Department, Human Resources Department, and a designated Union Representative, will review the individual case and will assign the employee work, within their medical restrictions, in the following sequence:

- (a) Assigned to an open and available job in their **Department, Area, Classification and Shift** that the **employee is able to perform all the functions of that job within their medical restrictions.**
 - (b) If there is no job within their medical restriction under (a), then they will be assigned to an open and available job anywhere in the facility **that the employee is able to perform all the functions of that job within their medical restrictions.**
 - (c) If there is no job within their medical restriction in the facility, then they will be assigned to transitional work for: A maximum period of ninety (90) cumulative work days per injury or medical condition work days unless placed in an open and available job that the employee is capable of performing
 - (d) In the event an employee cannot be placed within their medical restrictions under any of the above, they shall remain on or go out under the appropriate benefit coverage. The appropriate Committee person will be notified.
 - (e) An employee's medical restrictions will be reviewed regularly with the objective of returning the employee to their own job. When an employee has successfully recovered in the judgment of the Company Physician to be capable of performing their own job, they shall be returned to that job, seniority permitting.
3. Clarification of terms used in this provision:
 - (a) Seniority - for placement in the transitional work program, an employee must have sufficient seniority to be at work in the facility, or lacking seniority, be at work pursuant to Article 10, Section 23 (g) of the Master Agreement.

- (b) Open and Available - Any temporary opening, such as one due to vacation or illness, or any permanent opening which is available after all home spot employees have been returned and the job has been posted with no successful bidders. The one-time internal canvass will be applied within the Supervisor's area before placing a medically-restricted employee on the job. When 2(b) is applied, temporary openings will be limited to forty-five (45) days.
 - (c) Transitional Work - Any non-traditional work or part-time traditional work which is within the employees' medical restriction.
 - (d) Traditional Work - May consist of all or any portion of a bargaining unit work function which is within the employees' medical restriction.
4. After review of the evaluation and recommendations of the Medical Restriction Sub-committee, the following procedural points related to the placement of medically restricted employees were agreed to on Wednesday, October 16, 1996. While agreeing to make changes to the current medical restriction placement procedure, both parties recognize that making these changes may have an impact on the Macungie Operation's benefits (social) costs, sick leave absenteeism rates, as well as compliance with the Americans with Disabilities Act. In light of this recognition, both parties agree to meet and review the impact of the revised procedures:
- (a) Return to Home spot: An employee who has medical restrictions will be returned to their home spot provided that the anticipated duration of the opening is for a period of 8 calendar days or longer and provided that the job the employee is transferring to is within the employee's medical restrictions. Such transfer must be reviewed and approved by the Medical Placement Committee.
 - (b) Bidding and Bumping: An employee with medical restrictions will be permitted to bid or bump either temporarily or permanently into any classification provided that the job the employee is transferring to is within the employee's medical restrictions. The employee must be able to perform all functions of the job without modification. Such bid or bump must be reviewed and approved by the Medical Placement Committee. The appropriate Committee person will be notified by the Medical Placement Committee prior to actual placement on the job by the medically restricted employee.
 - (c) Job Modification: The practice of modifying jobs up to 10 - 15% for medically restricted employees will not continue. Those employees who are currently placed with modifications will be allowed to stay on those modified jobs. Because of the potential impact upon the Operation's benefits (social) costs and sick leave absenteeism rates, the parties have agreed to maintain records regarding those restricted employees who are

placed out of work on a Company benefits program when a job could have been, but was not modified. This information will be reviewed periodically and discussed by the parties for potential revision of this job modification provision.

- (d) Pre-placement: Until an employee with medical restrictions is placed on a job within his/her medical restrictions, he/she may be placed for up to one (1) full day on an opening to replace an absent employee or in general maintenance. During the one-day placement, the employee must be able to do 100% of the functions for that job. This one (1) day assignment may be utilized between temporary assignments (e.g., vacation replacements or sick leave replacements).
- (e) Overtime: Medically restricted employees will be eligible for overtime in their classification if and only if the work being performed complies with said employee's medical restrictions. However, working overtime out of the employee's current classification must be reviewed and approved in advance by the **Medical** Placement Committee. It is understood that the **Medical** Placement Committee will meet as soon as practical to review the overtime work. Employees who are on transitional work are not eligible to work overtime.

SECTION 18 - Voluntary Layoff Agreement

- (a) **At the sole discretion of Management a voluntary layoff may be implemented as follows:** An employee(s) with five (5) years' corporate seniority may (in order of seniority) elect a voluntary layoff in lieu of a less senior employee(s) being excessed from the same classification, department and shift, if each of the following occurs:

- (1) Reduction in plant manpower as a result of any of the following conditions:
 - (A) A required net reduction in the workforce.
 - (B) A decrease in vacation allotments.
 - (C) Employees returning from accident and sickness, workers' compensation, or long-term disability.
 - (D) Employees returning from voluntary layoff.
 - (E) Once a layoff has been implemented, no additional hours (**overtime**) may be worked until the employee is recalled.
- (2) The employee gives written notice of their election at least seven (7) work days prior to the date the Company notifies the Union that an excess in the employee's classification, department and shift will occur. An employee must report in person to the Human Resources office to process such election. This section covers all types of voluntary layoffs.
- (3) Once per calendar year employees eligible for voluntary layoff may elect a minimum of thirteen (13) weeks up to a maximum of twenty-six (26) weeks. Once a layoff duration is elected, it may be modified in accordance with Article 7

section 18 (a) (2).

- (4) Employees with ten (10) or more years' seniority may extend the voluntary layoff by an additional twenty-six (26) weeks one time during the duration of this agreement. The extension will be the full twenty-six (26) week period. Extension notification must be four (4) weeks prior to the end of the current layoff period.
 - (5) A voluntary layoff can only be terminated by the recall of the employee by the Company at any time following four (4) weeks of layoff.
- (b) Recall of employees will be accomplished in the following order:
- (1) Employees on voluntary layoff will be recalled in inverse seniority order after a minimum of four (4) weeks on voluntary layoff.
 - (2) Employees other than voluntary layoffs having recall rights.
 - (3) All employees with less than one (1) year's seniority.
- (c) General rules governing voluntary layoffs:
- (1) Employees who have exercised voluntary layoff rights will not be permitted to exercise them again until all other eligible employees in that same classification, department and shift requesting layoff have been granted voluntary layoff in seniority order.
 - (2) Employees on voluntary layoff will be returned at the expiration of their requested layoff, or when manpower needs necessitate a recall to the specific job in the classification, department and shift he/she left providing the majority of the job content (51%) still exists and the employee has sufficient seniority. If the employee has insufficient seniority to return, he/she will be further processed under Article 7, Section 14 of this Local Agreement.
 - (3) If S.U.B. is modified or reduced, the employee may return to work immediately or they may elect to remain on layoff for the remaining weeks without S.U.B.
 - (4) An employee may revoke their election for voluntary layoff. This revocation must be made at least ten (10) work days prior to the effective date they would have been laid off.
 - (5) An employee who has elected to be placed on voluntary layoff and then returns to work after the layoff is still eligible for future layoff under these provisions. An employee who wishes not to be placed on voluntary layoff again must revoke their election.
 - (6) An employee who has been placed on voluntary layoff and is recalled prior to their requested layoff period will be the first to be placed on voluntary layoff for the balance of their originally requested layoff period when the next opportunity arises provided they have not revoked their voluntary layoff election.

- (7) When a layoff results as a direct result of volume/production and/or product mix changes, the following process shall apply.
- (a) The voluntary layoff list shall identify the employees to be laid off from the reducing department, classification and shift. The layoff will be implemented by seniority. If the required number of displacements is achieved, no additional layoffs will be implemented.
- (b) If additional layoffs are required, the Company will lay off the senior employees remaining on the voluntary list to a level not to exceed an additional 15% per job classification with a population of one hundred (100) or more and 10% for classification of less than one hundred (100). Classifications of ten (10) or less will be evaluated based on need at the time of the layoff. Additional reductions will be made through the general layoff process. Human Resources will list the required displacements remaining if "(b)" is necessary.
- (c) If the voluntary layoffs exceed the percentages above, the Company and Union will meet to review and discuss if additional layoffs can occur in a particular area.
- (8) All voluntary layoff recalls will be by department, classification and shift in inverse seniority order.
- (9) Any problems or special needs that may arise with the administration of the voluntary layoff process, the parties agree to meet and discuss the issues and attempt to resolve those issues.
- (10) The Company will not incur any liability from operation of this procedure.

ARTICLE 8 - POSTING NEW JOBS OR VACANCIES

SECTION 19

- (a) When new jobs are created or vacancies occur in the plant, the Company shall post notice of the fact and the notice shall state the classification, rate or rate change, department number, production area as defined in Article 13, Section 35, Paragraph A, Sub-Paragraph 1 and shift of the job. The most senior employee applying for the job or to fill the vacancy, within **forty eight (48) hours** or until 10:00 AM of the working day following the posting, whichever is later, shall be given preference in filling the new job or vacancy consistent with the ability of the employee to perform the services required. The time referred to above for posted notices shall not include that time during which the plant is not in operation due to a short work week or a temporary layoff. In case of dispute arising under the provisions of this Section as to whether an employee has the ability to perform the service required, the employee shall be given a five (5) **and if required up to a ten (10) working day** trial period at that job with such instruction as would normally be given a qualified employee starting the job. This shall not operate to give an inexperienced employee preference on a job bid over

an experienced employee. When a second (2nd) or third (3rd) shift employee is absent on the shift covered by the job posting, the employee may bid prior to the expiration of the job posting, provided, however, the employee makes the bid in the Macungie Human Resources Office and subsequently works the employee's scheduled shift that day.

Employees who desire to permanently bid to a different department, area, classification and shift may make up to three (3) pre-bid applications at the Human Resources Department which will be maintained as active bids unless withdrawn or changed within the guidelines of the pre-bid procedure. **Once a prebid has been awarded the remaining bids become null and void.**

Employees making application shall indicate their order of preference (1-2-3) of their pre-bid(s) and any award shall be binding upon them unless notice of being the successful bidder is not posted by written notification within twenty-four (24) hours after the bidding is closed.

If there are two (2) or more employees bidding on the posted job, the award will be based on plant seniority.

Employees will be allowed to withdraw their bid(s) at any time; however, the withdrawal will not be effective for a period of **two (2)** working days from the date of withdrawal.

Employees will only be entitled to change (add or modify) their pre-bid(s) on a quarterly basis, i.e., March, June, September or December and the modified pre-bid(s) shall become active the first day of the ensuing month.

Within Departments, employees will be able to bid by Departments/Area (e.g., L-Cab (CAB-1) Line, C-Cab (CAB-2) Line, Radiator Groom, Materials LVLC inbound, Materials LVO—Shipping etc.)

Pre-bid(s) applications must be accurately completed on a Company-provided triplicate form or **the company provided electronic form**. The form must also be signed by the employee and a representative of the Human Resources Department and date/time stamped. The Human Resources Department, employee and Local Union will each receive a copy.

Employees on Accident & Sickness (A&S) or Workers' Compensation (WC) will be ineligible to be awarded a job bid; however, their pre-bid(s) will remain in effect unless modified during the next pre-bid modification month.

Employees on Jury Duty, Bereavement, Vacation, Approved Personal Leave of Absence or Military Leave of Absence of two (2) weeks or less will be awarded the bid if they are the successful applicant. In those instances, Article 8, Section 22 Paragraph (a) will not apply. If an employee is out longer than two (2) weeks, their pre-bid(s) will remain in effect unless changed (add or modify) during the next pre-bid modification period.

Permanent vacancies will be filled in accordance with the job bidding procedure contained within this section but will cease immediately upon the second employee from the **Department** being awarded a job bid. At this time, the Company will fill the single permanent vacancy within **Departments** at their discretion and with the most practical method possible.

Employees on A&S or Workers' Compensation will return to the job prior to their medical absence, **department** seniority permitting, **the temp employee will go back to their homespot job and the bumped employee will be assigned to an open and available position.** and pending Article 7, Section 17, Paragraph C.

Elected and appointed Union officials will be eligible to maintain pre-bid applications during their elected or appointed terms in accordance with the provisions of this section. If the Union official is to be awarded a bid, they must immediately decide to accept the bid award or be passed over for award consideration. Accepting a bid outside of their respective District will require them to forfeit their elected position.

If any new classifications are developed, jobs shall be bid on a plant-wide basis to gain the initial manpower requirements. Once the new classification has been established, the pre-bid process shall be used for future manpower requirements.

- (b) Employees who are qualified to perform work in one (1) or more of the component classifications of a job which is a combination of existing classifications, and who are physically capable to be trained to perform work in the other classifications, shall have the right to exercise their seniority to bid into the combined classification.
- (c) (1) All open **permanent** jobs will be filled as follows:

(1) Internal canvass within the open job's supervisors book then backfills will be filled in the following manner:

(2) Homespot move or if that is not possible then awarded by a prebid.

(3) Company assigned.

(4) If a problem arises, the Company and the Union will sit down to attempt to work out a mutually agreeable solution.

All job requirements, other than those covered by the Flex Pool as outlined in this Article 8, shall first be satisfied by returning the appropriate home spot employees. Employees who have been notified in writing that they are to return to their home spot may be bumped by a more senior employee even though they are not physically returned to their home spot.

- (2) Additional personnel needed to fill job requirements, other than those covered by the Flex Pool as outlined in this Article 8, shall be secured through posted notice bids after item (1) above is complied with. The shop request shall clearly stipulate whether the vacancy is of a temporary or permanent nature based on (i) below:

- (i) If the job opening is the result of sickness, vacation, leave of absence, personal leave or elected Union office with the Union of more than forty-five (45) working days, it shall be posted temporary.
- (d) Should a workday or week be curtailed for some reason such as a layoff as outlined under Article 7, Section 11 of this Local Agreement and all employees are not afforded the right to bid during the **forty eight (48)** hour posting period as outlined in (a) of this Section, the period of time will be extended to enable the elapse of **forty eight (48)** hours of posting during the time the full work force is working.
- (e) Notwithstanding the other provisions of this Article 8, including the Flex Pool Agreement, the Company may temporarily assign an employee for a period of up to five (5) days. When this occurs the Committeeperson for the area which the employee is moving from will be notified. It is understood the employee will receive the higher rate of the job assigned to or the job the employee is assigned from whichever is higher for the entire day. The employee so assigned will only be eligible for overtime on the job the employee was assigned from. If there is a home spot employee out of the group by excess or bump, the home spot employee, will be paid the difference, if any, between the rate the home spot employee is receiving and the employee's home spot rate. This Section will be used primarily but not exclusively, to replace employees who are bidders or home spot returnees and will be utilized within a department and shift.

SECTION 20

Probationary employees may bid for posted notice **twelve weeks (12) after they have completed their probation.** Vacation shutdown and the Christmas holiday periods will not count toward the **twelve week (12) period.** This does not have any **affect** on any other Local or Master contract language regarding probationary period or probationary status.

SECTION 21

Any employee awarded a permanent **or temporary** bid will not be eligible for another permanent or temporary bid for a period of six (6) months from the date of the **award.** The above six (6) month limitation will not apply to skilled trades manpower requirements.

SECTION 22

- (a) The Company will provide a posted written notification within twenty-four (24) hours after the bidding is closed. Successful bidders shall be placed on their new jobs as soon as possible, but not later than the **third** working Monday (Tuesday for Monday holiday) after posted notification.

If the Company fails to post the notice to successful bidders within twenty-four (24) hours, the bidders may decline the bid. In the event an employee's bid is canceled, the Company will notify the employee in writing of the fact within twenty-four (24) hours.

The "move time" requirements are not applicable to bids resulting from shift additions.

- (b) When the Company fills a vacancy for a new job by returning a home spot employee or placing a successful bidder on the job, the employee shall be so placed not more than four (4) hours after the job has been filled by another employee. In the event the employee's job is not filled within the time limit, the proper employee shall be paid the difference, if any, between the employee's rate and the rate of the job for the time worked by the other employee in the job after the first four (4) hours of the condition.
- (c) The provisions of (b) of this Section will not be applicable to employees transferred under this Article, Section 19 (e).

SECTION 23

A successful bidder who fails to qualify shall be placed on an open available job that employee is capable of performing. An open available job is one which was posted with no successful bidders. In the event there is no such job, the employee shall be placed on a job then filled by the least senior employee in the unskilled classifications.

SECTION 24

- (a) The Company recognizes the desirability of filling temporary vacancies of over forty-five (45) working days which it has had adequate prior notice such as leave for sickness where both parties agree that the sickness will last for more than one (1) full calendar week, vacations of more than one (1) full calendar week, and leaves of absence for more than one (1) full calendar week. The Company shall fill the vacancy, whenever practicable, through the Flex Pool procedure, if applicable, or if not, through job bidding. Vacancies existing two (2) full calendar weeks or more shall be filled by the Flex Pool procedure, if applicable, or if not, through job bidding.

SECTION 25

- (a) The Flex Pool classification will be assigned on a daily basis for replacements due to daily absenteeism, vacations, leaves of absence, sick leave, and training within the direct and indirect classifications of Production Technician, Material Technician, Production Technician - Final, General Maintenance and CAC Technician for vacancies of up to forty-five 45 working days. CAC replacements from the Flex Pool must have at least five (5) years' seniority as per the qualifications of Letter #11 of the Local Supplemental Agreement.
- (b) The Flex Pool will be established for day shift and, depending upon manpower requirements, may be established as needed for second or third shift.

(c) Both parties recognize that priority use of the Flex Pool is to support production as outlined in (a) above. In addition, there are other functions that are necessary to support production. Such items include health and safety and emergency situations to prevent loss of production. Once production has been supported, additional uses of Flex Pool employees could be for such temporary special assignments as, but not limited to, 5S activities, labeling bins, quality related work, flow team work, verify or count inventory, audit part usage, ISO documentation, participation in lean manufacturing activities, performing specific SCR repairs before the vehicles reach the Final Department.

(d) Flex Probation and Performance

- (1) **Flex are expected to have a positive, productive and constructive role within the team. When the team and supervisor identifies that this is not the case they can request an evaluation.**
- (2) **Upon a successful prebid there will be a 90 calendar day probationary period where the Flex will be evaluated by the supervisor and the team. If they are found to have not met the key criteria of the position they will be returned to an open and available position.**
- (3) **If an incumbent Flex is having an ongoing problem meeting the key criteria of the job than an evaluation can be requested by the supervisor and team members. This will occur over a three month period including 3 monthly reviews during this evaluation time span where issues can be identified. Training and coaching will be implemented to address the issues identified. If after several attempts, it is determined that improvement has been insufficient then the parties can mutually agree that the Flex can be removed and returned to an open and available position. Once an employee has been removed from a flex position they will not be able to bid on a flex job without the mutual agreement.**

(e) After (a) and (c) above are satisfied, all excess Production Technicians – Flex will be utilized in Departments and **all excess Material technician-Flex will be utilized in the Material departments.**

(f) The Company will determine the appropriate authorized number of Production Technician – Flex **and Materials Technician-Flex** in keeping with the existing process for all other departments.

(g) The Flex Pool may be used to replace voluntary layoff employees for a period up to 180 days for all job classifications **except** Skilled Trades.

(h) (1) Vacation allotments will continue to be used for the Production Technician Final classification.

(2) To fill vacation vacancies within the Material Technician classification, the

vacation schedule will be reviewed and a minimum number will be determined that represents ongoing vacations. This number of vacation vacancies will be filled by homespots and/or temporary bids. Vacation vacancies above this number will be filled by the Flex Pool. For example, if the ongoing number is determined to be five (5), five (5) homespots and/or bidders will be moved to fill the openings to the five (5) level. During any week(s) the actual level exceeds five (5), employees from the Flex Pool may be assigned to fill such vacancies. During any week(s) when the actual number of vacations is less than five (5), the Company may excess from the Material Technician classification. It is understood that the number of ongoing vacations will fluctuate based upon the vacation schedule.

(3) All Production Technician vacation vacancies will be filled from the Flex Pool. (4)

(4) **Production Flex Pool** employees will be utilized in the General Maintenance classification for temporary vacancies of up to 2 weeks. For temporary vacancies of more than 2 weeks, a homespot employee will be returned. If there are no homespots, a flex employee may be assigned for up to 45 working days.

(i) A temporary job for which there is no successful bidder may be back-filled from the Flex Pool. In addition, Flex Pool employees may be used to replace employees who under the terms of specific letters of agreement fill in for the tool crib, production layout, or the material technician working in Facilities.

(ii) Assignment to any job within the Flex Pool will be the responsibility of the Flex Coordinator.

(k) (1) Recognizing that the employees in the Flex pool classification may be assigned daily to different jobs, these employees will be assigned to the overtime book in which the employee has been assigned for six (6) or more working days. Employees reassigned for six (6) or more working days will be placed in the new overtime book on the morning of the seventh (7th) day. The base book will be the L-Cab Line (CAB-1) book. The Flex classification will remain in the appropriate overtime book and will be eligible for overtime rotation in the individual production group.

(2) Special projects with specific work requirements in the Offline Department or Customer Adaptation Center may be supplemented by the Flex classification without authorization restrictions. The appropriate UAW representative will be notified of such special projects prior to the work commencing.

SECTION 26

(a) Job bids posted for vacancies of the nature described in Section 24 (a) of this Article shall be plainly marked "temporary." An employee may bid on a temporary vacancy within the same classification **but not the same** shift provided the job posting is at a later date. Should the employee be the successful bidder and should the original temporary condition not expire, the Company will award the bid to the next most senior qualified bidder, if any.

- (b) In the event a posted job is temporarily filled by assignment of an employee other than the successful bidder, the successful bidder shall be paid the difference, if any, between the employee's rate and the rate of the posted job for the time worked by the assigned employee on the temporary assignment.
- (c) An employee awarded the temporary job shall be returned to the job from which the employee was transferred when the employee, on leave of absence, sick leave, personal leave, elected Union office or vacation, returns to work. Any employee(s) awarded a temporary bid may be retained in the temporary department for one week to cover subsequent departmental absences. Should there be no subsequent needs, the least senior temporary bidder will be returned to the job they left as a result of the successful bid. This one week extension does not apply to Production and Material Departments.
- (d) In the event an employee's bid is canceled, the Company will notify the employee in writing of the fact within twenty-four (24) hours.
- (e) The provisions of this Section will not be applicable to employees assigned under Section 19 (e) of this Article.
- (f) An employee receiving a temporary job by posted notice bid while working in the employee's home spot shall remain in the temporary job until the employee is no longer needed as a replacement, and shall then return to the employee's home spot/job if seniority permits. If seniority does not permit, then this employee becomes eligible to exercise the employee's seniority.
- (g) No employees may bid back into their home spot while out of their home spot on a temporary bid.
- (h) Temporary bidders in the Production Technician and Material Technician classification in Departments will be released from their temporary bid in Departments, regardless of seniority, when the employees they are replacing return to their jobs or if they are bumped or excessed. These temporary bidders will then return to the job from which they bid. Employees placed in a job, regardless of seniority, will be the first to leave the supervisor's area when an excess occurs in that supervisor's area
- (i) Employees placed on temporary jobs may move from temporary jobs as follows:
 - (1) All homespot employees are recalled except those who have exercised their seniority under Article 8, Section 26 (f).
 - (2) These employees may bid on posted permanent jobs in Departments.
 - (3) If all homespot employees are back to their homespot other than those covered by Article 8, Section 26 (f), and there are no successful bidders, the most senior temporarily placed employee will be placed into a permanent job.
- (j) In an effort to further clarify Article 8, Section 26 (h) and (i) of the Local Agreement,

the parties have agreed to the following:

- Clarifying Section 26 (h) – The least senior employee in a temporary job will be the first to leave that supervisor's area when an excess or bump occurs. A placed employee is one placed on a job as a result of a posted notice with no successful bidder or as a result of being placed under Article 7, Section 17 (c).
- Clarifying Section 26 (i) (1) – There is no homespot recall if the homespot employee is already in the department, classification and shift in either a permanent or temporary job.
- Clarifying Section 26 (i) (3) – When a new opening occurs, homespot employees will be recalled and if there are no homespot employees the job will be posted as permanent. If there are no successful bidders the most senior placed employee, as defined in the clarification of Section 26 (h) above, will move to that permanent job.
- When canvassing for open and available jobs seniority will prevail. Employees holding a permanent job will be canvassed first and, if no one takes it, employees holding temporary jobs following placement under Section 26 (h) (i.e., permanent employees placed in temporary jobs because of an excess or bump) will be canvassed by seniority for the permanent position. Other employees who have been temporarily placed will not be canvassed.
- The Company will maintain a list of employees who have been placed on jobs. This list will include employees placed under Article 7, Section 17 (c).

SECTION 27

An employee receiving a temporary job through posted notice bid while working on a job other than the employee's home spot shall return to the employee's home spot when it opens in line with the employee's seniority.

SECTION 28

An employee receiving a temporary job through posted notice bid, and while on the job received subsequent temporary jobs through posted notice bid shall, when no longer needed as a replacement on the last temporary job worked, return to the job the employee filled just prior to the employee's first temporary job received through posted notice bid, if the employee's seniority permits. If seniority does not permit, then this employee becomes eligible to exercise said employee's seniority.

SECTION 29

An employee excessed or displaced on the employee's job, who then exercises seniority and selects a job that is covered by a posted notice bid for a permanent or temporary job, will be permitted to go on the job provided, however, that if a lesser senior employee has been awarded the job through notification as required under Section 22 (a) above or a lesser senior employee is actively working in said groups or department. When the employee who is the successful bidder arrives on the job, the

least senior employee in the group shall be released. If, when the successful bidder arrives on the job and the employee's seniority does not permit the employee getting the job, the employee shall be treated as another excessed or displaced employee. However, the employee's home spot will be changed to the new job. This shall count as a job bid.

SECTION 30

Pre-bid and Temporary job bids can be completed electronically or in triplicate and punched on a time clock at the time of signature.

- (a) Bids for posted Temporary positions and Pre-bid applications must be completely filled out with proper and correct information, including the signature of the individual bidding for the job. Any bid with incorrect or missing information shall be null and void. The Company shall furnish locked boxes with slots at the Human Resources Office for bidding purposes by employees on the night shifts.
- (b) Employees signing for more than one (1) bid on a given notice will be given a bid at the discretion of the Personnel Office unless the sequence is specified in the block provided on the bid form.

SECTION 31

- (a) Internal job openings in Departments which occur as a result of the following will be filled by providing a one-time canvass of the permanent employees within the supervisor's area where such openings occur:
 1. Model build-out.
 2. Model start-up.
 3. Plant rearrangement with mutual agreement (e.g., moving the MRU from the "L" line (CAB-1) to the "C" Line (CAB-2) line or moving the MRU from the "H" line (VEH-2) line to the "G" line (VEH-1). It is understood that mutual agreement will not be withheld as long as the plant rearrangement is similar to the examples listed.
 4. Rate change, including model mix change between production lines.
 5. Product change (e.g., new classification, insourcing of work, frames).
 6. Addition or elimination of a shift within Departments, or the addition or elimination of a shift outside Departments involving 25 or more employees.
 7. Return to home spot related to items "1" through "6" above.

The canvass will be made for all permanent openings at the time. However, only the most senior permanent employee, plus any employees who have previously been trained will be permitted to move.

- (b) Internal job openings which occur as a result of retirements, deaths, quits, return to homespots, or model mix changes within a production line, except those resulting from items set forth in Section (a) will be filled in the same manner as established

above, except all openings will be filled through the one-time canvass.

- (c) All eligible employees will be canvassed in the supervisor's area for internal job openings.
- (d) Manpower movement within the **Offline** Department will follow the process below:
 1. Any open and available position in the **Offline** Department will be canvassed by the applicable Union Committeeperson by seniority.
 2. If there is no interest in the open position through the canvass, the successful home spot recall or bidder will be assigned to the job.
 3. If the employee in the canvass moves into the job, their position will be backfilled by seniority upon request.
 4. If nobody requested the open position, the successful home spot recall or bidder will be assigned to the job.
 5. If a problem arises, the Company and the Union will sit down to attempt to work out a mutually agreeable solution.

SECTION 32

The following provisions will not be utilized unless the flex pool has been fully utilized to fill authorized production CA and repair positions.

- (a) A maximum of six (6) employees from the Production Technician **Offline** classification may be utilized on a daily basis to perform "peak load" and/or other repair work within **Production** Departments. As an example of this type work, the parties discussed "following a specific job through the production process assisting with the vehicle assembly." This provision is not however intended to supplement daily absentee replacements.
- (b) In the event manpower levels within **Production** Departments fall below approved authorizations, Management may elect to shutdown either a portion of or the entire **Offline** Department and reassign the affected personnel to perform Production Technician operations in **Production** Departments.
- (c) Assignments described in either of the above situations shall be made in reverse seniority order, with the least senior employee(s) always being re-assigned to **Production** Department.
- (d) Should the requirement arise to utilize the special skills of Production Technician **Offline** employees to perform line troubleshooting functions, assignments shall be made on the basis of the employee's known expertise. Specialists in electrical, mechanical, etc. may be assigned to specific product difficulties such as engine no start, or electrical troubleshooting matters.
- (e) Employees classified as Production Technician **Offline** who possess specific skills in areas such as welding, sheet metal finishing or spray painting may be assigned, within the **Offline** Department, to replace an incumbent with the skills who is absent or has been reassigned to an operation on the Cab, "G" (**VEH-1**) or "H" (**VEH-2**) line.

These assignments shall be made on the basis of the employee's known expertise.

- (f) Production Technician Final employees re-assigned to **Production** Department will continue to work in their assigned area unless the incumbent reports to work that day. In such cases, that Production Technician **Offline** employee will be returned to the Offline Department.

SECTION 33

Qualification Period

An employee changing jobs through these provisions shall be entitled to the usual instructions from his/her supervisor as to the tools and the specifics of the job. After a minimum of five (5) working days but not more than thirty (30) working days, unless mutual agreed to extend, the supervisor will provide feedback to the employee. If such employee does not, in the opinion of his/her Supervisor, show proper competence within the specified qualification period, a he/she and his/her Committeeperson shall be notified that he/she is not qualifying and he/she will be returned back to his/her previous department and classification and be placed into any opening that remains unfilled, In the event there is no such opening, the employee shall be placed in the department and classification then filled by the least senior employee in the bargaining unit which he/she is qualified to perform. The awarding of a critical process job will carry with it an automatic five (5) day extension on the training period if requested by the employee or the Union due to the nature of the process.

Any new classifications, created during the life of the agreement will be discussed to determine the appropriate qualification period for said job. Under unusual conditions, the specified qualification period may be extended by mutual agreement between the Company and the Union.

*Above may be extended by mutual agreement.

ARTICLE 9 - TRANSFER OF SHIFT

SECTION 34

- (a) Employees who desire to change their shift shall make an application for transfer not later than the end of the employee's regular second day of work of the normal regularly scheduled workweek. The company will have until the second Monday after application is made to transfer the employee to the desired shift excluding the employee's time off prior to the transfer. An employee's failure to make the request by the end of the employee's second regularly scheduled shift will result in the transfer being effective the third Monday after application is made. The request shall be granted on the basis of seniority within their classification. An employee making a request of a transfer of shift shall not have the right to cancel or withdraw the request. The home spot of an employee transferred from the employee's home spot shall automatically become the home spot job on the shift to which the employee is transferred. An employee shall have the right to change shift under this section no more than two (2) times within each calendar year. However, an employee who has transferred into a classification or successfully executed a shift preference may not change shifts again for a period of twelve (12) weeks.
- (b) Notwithstanding the terms of (a) above, if an employee is claiming a hardship, the Company and Union may, at its discretion, discuss permitting additional shift changes or agree to make the shift change effective outside paragraph (a) above. The employee making the request must present substantial proof of such hardship. Any agreement outside (a) above will be by mutual agreement only.
- (c) Probationary employees shall only be eligible to exercise their rights under this provision twelve (12) weeks after successfully completing their ninety (90) day probationary period.
- (d) Employees shall only have the right to transfer shifts when the only employee that can be displaced by seniority is the least senior perm employee.
- (e) Employees who have exercised their seniority under (a) above may be bumped by a more senior employee prior to the actual transfer, provided the employee is the least senior employee on the job the employee is transferring. Should the employee be bumped, the employee's transfer will be voided and the employee will remain on the job and shift from which the transfer was requested. Should the employee have a homespot on the shift the employee is requesting a transfer from, the employee will establish a new home spot on the shift the employee requested transfer.
- (f) Employees who have exercised their seniority under (a) above and who are retiring within seven days, may elect not to move to their requested shift if the move was for pay purposes only. The Company will agree to pay all monies for shift differential and for all unused and accrued vacation.

ARTICLE 10 - LEAVES OF ABSENCE
(See Master Agreement)

Personal leaves of absence shall not be coupled with a vacation other than by mutual consent of the Company and the Union, except in cases of emergency.

ARTICLE 11 - MILITARY PROVISIONS
(See Master Agreement)

ARTICLE 12 - HOURS OF WORK

SECTION 35

1. (a) The normal starting time of the LVO plant shall be as follows:

DAY SHIFT	SECOND SHIFT	THIRD SHIFT
<u>6:45 AM</u>	<u>3:15 PM</u>	<u>11:00 PM</u>

- (b) The normal starting time for the week will be Monday for first shift, Monday afternoon for second shift, and Monday night for third shift.

- (c) The normal starting time of the LVLC shall be as follows:

DAY SHIFT	SECOND SHIFT	THIRD SHIFT
<u>5:45 AM</u>	<u>2:15 PM</u>	<u>10:00 PM</u>

- (d) The normal starting time for the week for LVLC will be Monday for first shift, Monday afternoon for second shift, and Sunday night for third shift.**

- (e) Exceptions to the above starting times will be:

- (i) The appropriate skilled trades employee(s) - One (1) Mechanical Journeyman, One (1) Electrical Journeyman whose regular hours of work will be 6:30 A.M./2:30 P.M./10:30 P.M.
- (ii) These employees' quitting times will be 2:30 PM/10:30 PM/6:30 AM. The Facilities Department representative will not be eligible for any overtime due to these employees' early start. Should the employee be scheduled for any overtime work, the overtime will start immediately after 2:30 PM/10:30 PM/6:30 AM.

- (f) The Company and the Union may meet to change from the straight through shift basis. This may only be done by mutual agreement

2. Multiple Shift Operations

- (a) For second shift and third shift maintenance, one electrical journeyman and one mechanical journeyman will be assigned to the regular shift of 2:30 PM to 10:30 PM and 10:30 PM to 6:30 AM.
- (b) Shift start-up. With respect to the start up of the second/third shift, the least senior employees will be probationary employees who are not eligible to bid on jobs. In order to minimize forcing of probationary employees to second/third shift who may prefer first shift, if there are not enough job bidders, all probationary employees will be canvassed for second shift and the most senior probationary employees preferring second/third shift will move until the required number of positions are filled. If the above canvass does not secure enough employees, the least senior employees will be placed in the positions.
- (c) If and when an additional shift is added, the Company may at its choice schedule the new shift assignees to train on another shift in whole or split in preparation for the additional shift start-up. The duration of the training will be determined by the manufacturing management.
- (d) Shift reduction. Employees being laid off will be processed by the end of their shift on the last day worked. The layoff effective day shall be the first day work is not available for the employee. Seniority for last day worked shall prevail insofar as no senior employee regardless of shift assignment will receive less straight time hour work potential than any working junior employee.

ARTICLE 13 - OVERTIME

SECTION 36

- (a) Unscheduled overtime for production will be rotated among the employees in each individual departments/area as outlined below. Each department/area shall have one (1) overtime lists covering all employees in the area.
- (1) All employees in the individual departments/area where the overtime is to be worked will be canvassed. Individual departments/area for the purpose of unscheduled overtime will be as follows:

Production:

Conventional Departments/ areas: *each area includes the VTLs in their respective areas

Rough Side –VEH1 *

Finish Side-VEH1 *

Cab 1 *

Eng 1 *

Aeroquip-remains as is presently, however, subject to being

divided between Conventional and COE
Valve Groom-will be incorporated into main line during
insourcing implementation in 2020.
Hood Line
Urea/RG/Exhaust – Incorporate into Conventional finish
side/main line
Sleeper *
Production Layout
Batteries – Currently sequenced by Material Tech

COE Departments' areas: *each includes the VTLs in their respective Areas

Rough Side-VEH2 *
Finish Side-VEH2 *, Torque inspector
CAB2 *
ENG2 *
Frame Rail *
Frame Layout
Urea/RG/Exhaust – Incorporate existing Radiator groom into
COE finish side/main line
Batteries– Currently sequenced by Material Tech

Paint Skilled Department: *each area includes Paint Specialist in their respective classifications

All Spray Painters *
Utility Welder
Sheet metal Finisher

Offline Department: *each area includes Offline Specialist in their respective classifications

CAC Tech
CAC Welder
Offline Tech *

Materials: Department areas

LVO-COE –
Material Techs, Material Flex
Team Lead
LVO-Conventional –
Material Tech, Material flex
Team Lead
LVO-Rec/WHSE/Shipping –
Material Tech, Material Flex, Material Technician Facility
Team Lead

LVO-EOL/IMC –

-Material Tech, Material Flex, Material Tech CAC, Method/Lab

-Team lead

LVO- Combilift

LVO-Jockey Drivers

LVLC-Inbound

Material Tech, Material Flex

Coordinator

LVLC-Outbound –

Material Tech, Material Flex

Coordinator

LVLC-Sequencing –

Material Tech, Material Flex

Coordinator

Training Department/Area:

Training Coordinators

Methods Lab Department/Area:

Methods Lab Techs

Material Inspector Department/Area:

Material Inspectors

If employees accept overtime and are requested to perform work in a department that was not canvassed the company will be liable for the missed overtime. The company and the union will discuss the financial consequences of such an event. A minimum of one hour pay will be the result of this violation.

Modifications **to the above** will be by mutual agreement.

- (2) In the production area, by canvassing all employees who are in the appropriate supplemental overtime canvass sequence, as listed below until the desired number of employees is obtained.

(b) Parties agree to new Matrix

* pull from second shift department/area before Supplemental

	<u>Vehicle 1</u> <u>Herbie cell</u>	<u>Vehicle 2/</u> <u>HerbieCell</u>	<u>Vehicle 1/</u> <u>Rough</u>	<u>Vehicle</u> <u>2/Rough</u>	<u>Vehicle 1/</u> <u>Finish</u>	<u>Vehicle</u> <u>2/Finish</u>	
	-	-					
	Vehicle 1/Frame L/O	Vehicle 2/Frame L/O	Vehicle 1/Herbie Cell	Vehicle 2/ Herbie Cell	Vehicle 2/ Finish	Vehicle 1/ Finish	
	Vehicle 2/Herbie Cell	Vehicle 1/ Herbie Cell	Vehicle 1/Frame L/O	Vehicle 2/Frame L/O	Vehicle 1/ Rough	Vehicle 2/ Rough	
	Vehicle 1/Rough Side	Vehicle 2/ Rough Side	Vehicle 2/ Rough	Vehicle 1/ Rough	Vehicle 2/ Rough	Vehicle 1/ Rough	
	Vehicle 2/ Rough Side	Vehicle 1/Rough Side	Vehicle 1/ Finish	Vehicle 1/ Finish			
<u>Hood</u> <u>Line</u>	<u>Valve Groom</u>	<u>Aeroquip</u>	<u>Engine 1</u>	<u>Engine 2</u>	<u>Sleeper Line</u>	<u>CAB-1</u>	<u>CAB-2</u>
Veh 1/Finish	Veh 1/Rough	Veh1/Rough	Engine 2	Engine 1	<u>CAB-1</u>	Sleeper Line	<u>CAB-1</u>
Veh 1/Rough	Veh 1/Finish	Veh 1/Finish			<u>CAB-2</u>	<u>CAB-2</u>	

When the Materials departmental overtime list is exhausted than the master seniority list in Materials will be canvassed using the rolling seniority list.

- (1) Supplementation to the Production Technician Offline classification overtime list will be in the following order. **A separate Flex Technician supplemental overtime list will be created by master seniority with a ratio of one flex to two production techs who will be canvassed on their own rotational supplemental list.** Each list must be exhausted before going to the next list.

- (i) CAC Technicians.
- (ii) Production Technician **Offline** homespots – An employee with a homespot in Production Technician Offline who accepts overtime will be

returned to the same job within the department, classification, and shift he/she left at the end of the overtime. He/She will be placed at the bottom of the overtime list upon his/her return.

(2) Production:

L-Cab Line (CAB-1), C-Cab Line (CAB-2), Sleeper Line, H-Chassis Line (VEH-2), G-Chassis Line (VEH-1), Hood Line, **Engine Line 1, Engine Line 2**, Valve Groom, **Offline**. Overtime turns, whether working in the individual's group or in another group pursuant to the supplemental overtime canvass, will count as an overtime turn on the appropriate list.

SECTION 37

The following provisions will apply to all employees except the skilled trades department.

- (a) Unscheduled overtime will be rotated among the employees in their respective department. Records of overtime shall be kept on the following department lists: **Pre-Shift, Post-Shift, Saturday, and Sunday/Holiday**. The overtime lists shall be made available by the supervisor for the inspection of the appropriate Union representative upon request. The original lists shall be made up by order of seniority for the ready identification of employees. As employees are transferred into an individual **department/area**, they will take their place next in line at the bottom of the original individual **department/area** list, regardless of seniority and will not be offered overtime until their turns are reached. An employee will be considered to have been offered overtime when the employee refuses, is off sick, is on vacation and authorized leaves of absence of five (5) consecutive working days or more.
- (b) When an employee takes a Friday or any continual combination of days off, on casual time of absence of less than five (5) consecutive working days, that includes a Friday. **The employee must notify their supervisor and Committeeperson in writing prior to leaving on their last scheduled work day of their desire to work overtime. The supervisor will make one attempt to contact the employee if overtime that they requested becomes available.** It is the employee's responsibility to ensure the correct phone number where they can be contacted is updated through Human Resources.

It is the responsibility of the employee to make contact with the Supervisor directly to check if there is overtime available on the weekend and also advise the Supervisor of their desire to work if overtime is available. Failure of the employee to make contact with their Supervisor will not create a liability situation on Management.)

- (c) Employees returning to their home spot shall be slotted on the bottom of the appropriate overtime list(s) in accordance with the seniority of those returning to their home spot. If a less senior home spot employee is returned prior to a more senior home spot employee(s), the more senior employee's name will be entered on the list(s) at the same time in seniority order and Article 8, Section 22 of the Local Agreement will apply. Further, employees who are successful bidders on posted notices will be slotted on the bottom of the appropriate overtime list(s) in accordance

with the seniority of the successful bidders of each posted notice. If a less senior bidder is first placed on the job, the more senior bidder(s) will be entered on the overtime list(s) at the same time in seniority order and Article 8, Section 22 of this Local Agreement will apply.

- (d) Employees who are on a scheduled forty (40) hour vacation starting on Monday shall not be eligible for overtime on Saturday or Sunday of that week.

Whenever an entire individual area or entire department is canvassed to work overtime, the appropriate overtime list will not be used. Should additional hours of overtime be necessary during this same period, the appropriate overtime list(s) will be used with the first employee asked being the one next in line. The last employee offered the additional overtime will establish the cutoff line and the employee in line will be the first one asked for the next canvass. If it is necessary to canvass the entire individual area or department to obtain the required personnel for the additional hours, the next employee not offered will be the first to be asked during the next canvass period.

Whenever an entire individual area or department is scheduled to work overtime, it will not be necessary for an employee to take a "miss" since the overtime list will not be used.

- (e) Employees who agree to work overtime and fail to do so shall miss a turn on the appropriate overtime list. This miss will be effected the next time the employee is to be canvassed from the appropriate overtime list. Employees offered overtime will not have the option of accepting less overtime hours than canvassed. The company will determine the number of hours required for overtime. Failure to work the number of hours scheduled for the overtime will result in the employee missing a turn on the appropriate overtime list.

An employee who accepts overtime and is unable to report for the overtime for an unforeseeable circumstance -- sickness, death in family, etc. -- shall call (610) 966-8873 and state the reason prior to the start of the shift. By complying with this procedure, the employee will not receive a miss on the appropriate overtime list as outlined above. This Section does not preclude the Company from taking appropriate disciplinary action, in conformity with Article 19 of the Master Agreement for an employee's repeated noncompliance with this Section.

The above provision will be applicable any time an overtime list is used.

- (f) Any employee who is canvassed and accepts overtime when an overtime list is used will be eligible for any additional hours of overtime should they become necessary during that overtime period. The first employee to be asked for the additional hours will be the first employee who accepted the overtime. This will be applicable any time an overtime list is used. The additional employees needed will be drawn from the appropriate regular overtime list with the first employee to be asked being the first employee after the last one accepting the original overtime. The last additional employee accepting the overtime will establish the cutoff line for the next canvass. If all of the employees on the regular overtime list are canvassed and sufficient

manpower is not obtained, the appropriate overtime list will be used to gain the sufficient manpower. The last employee accepting the overtime on the overtime list will establish the cutoff line for the next canvass.

- (g) Employees without seniority shall not be placed on the overtime list until after their thirtieth (30) day of employment. Employees without seniority will not be canvassed to work overtime; however, they will be eligible to work if the entire individual area or department is working the overtime or if sufficient manpower is not obtained by canvassing all eligible employees on the list. In any classification where the only employees actively at work are ones with less than thirty (30) days, the employees will be eligible for the overtime.

SECTION 38 - SCHEDULED OVERTIME

- (a) Scheduled overtime will be utilized when necessary to satisfy customer demands (short-term volume increases) or to make up lost production within any production area. In such cases, the following guidelines shall apply:

- (1) Employees will be notified as far in advance as possible, but in no event less than:
 - (i) Twenty-four (24) hours for daily overtime as a result of lost production. It is not management's intent to work overtime to make up lost production without reasonable efforts to resolve the cause of the problem(s).
 - (ii) One (1) week in advance for daily overtime as a result of short-term volume increases (seven (7) days, e.g., by end of shift on Monday for following Monday.)
 - (iii) One (1) week in advance for Saturday overtime (prior to end of shift on the preceding Friday) except for catastrophic events.
 - (iv) By Wednesday of the week in which the Saturday overtime would be scheduled due to catastrophic events which are defined as: internal/external events, e.g., snow storm, boiler breakdown, paint department breakdown, supplier-related events, etc. which cause the plant to close for part or the full day.

Overtime will be scheduled, based upon the full requirements of a particular line group or the whole plant.

- (2) **The following guidelines apply for scheduled overtime:**

- (i) **No department/area** or the whole plant will work scheduled overtime on a more frequent basis than two (2) Saturdays on and one (1) Saturday off.
- (ii) Daily overtime will not exceed two (2) hours worked per day.

- (iii) Up to eight (8) hours worked per week for short term volume increases to a maximum of eighty (80) hours worked per calendar year.
 - (iv) Up to twelve (12) hours per week for lost production in weeks in which scheduled overtime for short term volume increases is not worked and not to exceed thirty-two (32) hours in any calendar month or not to exceed more than one hundred (100) hours per production line per calendar year. Lost placements due to catastrophic events as described in Article 13, Section 37 (a) (1)(d) will be excluded from the one hundred (100) hour maximum.
 - (v) The total combined scheduled overtime for short term volume increases and lost production will not exceed twelve (12) hours worked in any work week period.
 - (vi) The hourly limitations set forth above shall apply to each overtime department and area and overtime hours worked by one area shall not be cumulated with hours worked by another area to reach the limitations.
- (3) Management will review with the Union in advance, the most practical method of scheduling daily overtime.
- (4) The scheduling of full production for the purposes of short term volume increases will be limited to those situations where short term customer demand makes rate changes impractical. These situations, which are normally known several weeks in advance, will be reviewed with the Union, prior to the implementation of the scheduled overtime, as an effort to develop various alternatives to the implementation of the scheduled overtime. This understanding is not intended to waive any of the provisions of the Master Agreement. There will be no layoffs within thirty (30) calendar days of working the overtime exclusive of any impact caused by voluntary layoff.

Employees who are assigned to an individual production line group at the time the scheduled overtime is worked are expected to work as if it were any other regularly scheduled work day.

Flex pool employees who are assigned to a group for less than two (2) weeks will work the overtime in the group to which they are assigned for that week.

An employee in the Flex Pool classification who is assigned to an area where overtime has been scheduled and that employee has not been given the required twenty-four (24) hour scheduled overtime notice will be given an opportunity to work the scheduled overtime on a voluntary basis.

A Production Technician Offline employee re-assigned to Department 223 when overtime is scheduled will work the scheduled overtime if he/she has otherwise accepted overtime in the Offline Department. Upon completion of such overtime, the employee may return for the remainder of the overtime they

accepted in the Offline Department.

Employees who are assigned to an individual production line group at the time the overtime is scheduled, but transfer or are transferred out of the group prior to the overtime being worked are ineligible to work that overtime.

- (5) Employees who are excused from working scheduled overtime due to personal conflicts, such as civic meetings, child care obligations, doctor appointments or other legitimate circumstances will **only be excused at the discretion of the Company. Any employee not excused will be subject to the appropriate Company policies**
- (6) If a particular **area** is scheduled to work overtime and additional hours of overtime for that **area** are necessary during this same period, the employees working the scheduled overtime will be canvassed by seniority for the additional overtime, and any non-scheduled overtime worked will not be subject to the rotation list.
- (7) In instances where the Company deems it necessary to cancel previously scheduled overtime, the Company will be required to notify employees that such overtime is canceled by no later than 11 AM on the day of the scheduled overtime. If notification is given subsequent to 11 AM, the hours canceled will be deducted from the one hundred (100) hour maximum set forth in Article 13, Section 37 (3) (d).
- (8) During a period of scheduled overtime, if it is deemed advisable by Management to cancel the balance of the scheduled overtime, employees will be given the opportunity to go home or stay and work for the duration of the overtime period, provided the cancellation is not a result of an act of God or other reason beyond the direct control of Management.
- (9) If unauthorized absenteeism creates the need for use of the **Offline** Agreement by impacting production, Production Technicians **Offline** may be reassigned for Saturday scheduled overtime. If management allows authorized time off in excess of those reasons provided for in Article 13, Section 37 (a) (7) of the Local Labor Agreement, production schedules must be adjusted.

SECTION 39

- (a) The following overtime thresholds will be applied whenever overtime is worked, including holidays.
 - (b) In cases where five (5) or more employees in a Committeeperson's district are working overtime on a single shift, the Bargaining Committeeperson of the district may also work as Committeeperson during the overtime hours.
- (1) The Committeeperson whose district covers the spray painters will not be eligible for any overtime due to additional time provided to the spray painters.

- (c) In cases where thirty-five (35) or more employees are working overtime on a single shift, the Union President may also work as Union President during the overtime hours. In cases where twenty-five (25) or more employees are working overtime on a single shift, the Union Chairperson of the Bargaining Committee may also work as Shop Chairperson during the overtime hours.
- (d) Committeepersons who represent employees on second and/or third shift will be afforded up to a maximum of three (3) hours of overtime per week for the purpose of representation in weeks in which overtime is not otherwise available. The three (3) hour allowance may be used in total or in part on either adjacent shift on which the Committeeperson has active constituents. Should overtime occur during the week, those hours used prior to the overtime scheduled will not be charged against the overtime hours worked in the Committeeperson's district provided the hours are used for legitimate reasons.

SECTION 40

It is agreed that the Human Resources Department shall be prepared to advise Bargaining Committeepersons by 2:30 PM Monday through Friday, as to whether or not overtime will be worked that day. With respect to Saturday and Sunday work, the Human Resources Department shall be prepared to advise Bargaining Committeepersons of the work after 9:00 AM on Friday; provided, however, that Bargaining Committeepersons shall check with the Human Resources Office for changes in the weekend overtime schedule by 2:30 PM on Friday. The Company will fax the list as to whether or not overtime will be worked that day to the Union Office in the Macungie Plant at 610-966-8031 and to the Local 677 Union Hall at 610-797-1755 and e-mail the list.

- (a) It shall be the Bargaining Committeepersons' responsibility to ascertain from the department/area whether or not overtime will be worked. The Company shall not be obligated to pay overtime to any Bargaining Committeeperson who loses an opportunity to work overtime because of a lack of knowledge that overtime work was available, unless the Bargaining Committeeperson shall have checked with the Human Resources Department regarding availability of overtime.
- (b) In addition to the provision of Article 13, Section 38 of the Master Agreement, to the extent possible, notice of weekend overtime shall be given to second shift two (2) hours prior to the end of their shift on Thursday. The third shift shall be notified to the extent possible or earlier whenever possible of weekend overtime prior to 2:00 AM Friday morning.

SECTION 41

The Company will not send an employee home for the purpose of avoiding payment of overtime.

SECTION 42

Employees who work overtime on a Sunday and transfer effective the following Monday to another shift, will be paid at the time and one-half rate for hours worked on the Monday shift provided the hours worked on Monday fall within a twenty-four (24) hour period of the overtime hours worked the preceding day, Sunday.

ARTICLE 14 - HOLIDAYS

SECTION 43

- (a) An employee's failure to perform work within the "qualifying workweek" shall be excused if due to one of the following reasons:
- (1) A personal injury out of and in the course of employment with the Company provided the injury has not caused the employee to be absent from work for more than thirty (30) calendar days prior to the holiday.
 - (2) Jury service.
 - (3) Witness in Court.
 - (4) Scheduled vacation.
 - (5) A temporary condition of no work available due to such causes as material shortages or trouble with machines or equipment but not including cases of separation from the payroll.
 - (6) An employee reporting for work on one of the employee's regularly scheduled workdays is sent home because no work is available.
 - (7) In the case of an accredited representative of the Union, if failure to work is due to negotiating labor contracts with Management, attending meetings, or otherwise carrying on the legitimate duties of Union representatives provided that in any such case the Management shall have been notified in writing not later than the day prior to the absence and the employee has not been absent from work for more than thirty (30) calendar days prior to the holiday. The thirty (30) day limitation shall not be applicable in the case of accredited Local Union representatives absent for the purpose of negotiating labor contracts with Management.
 - (8) Absenteeism of an employee by reason of the employee's confining illness, provided the illness has not caused the employee to be absent from work for more than thirty (30) calendar days prior to the holiday. Computation of the thirty (30) calendar day period shall begin with and include the first day of absence from work which the employee would be scheduled to perform but for illness. In the event the thirty-first (31st) calendar day is a holiday, the employee shall be eligible for holiday pay. Reasonable excuse for such absenteeism shall be

established by a statement from the attending physician.

(9) Leave of absence granted to reservists, national guards or state guards for required military encampment, training duty, or emergency duty, provided the absence has not caused the employee to be absent from work for more than thirty (30) calendar days prior to the holiday.

(10) Absenteeism by reason of the death of someone in the employee's immediate family. Immediate family is defined as:

Spouse, parent, parent of current spouse, child, brother, sister, stepparent, stepparent of current spouse, stepchild, stepbrother, stepsister, grandparent, grandchild, grandparent of current spouse, son-in-law and daughter-in-law. Reasonable excuse for such absenteeism shall be established by a statement from:

- (i) The attending physician of the employee, or
- (ii) The funeral director, or by
- (iii) An obituary notice showing the relationship to the deceased.

SECTION 44

Should employees be required to work on a holiday, and if the observed holiday occurs during any day of the work week from Monday through Friday, the appropriate master seniority list for the classification, department or group shall be used; if any employees are required to work during the weekend, the appropriate Saturday or Sunday overtime list will be used.

ARTICLE 15 - VACATIONS **(See Master Agreement)**

SECTION 45

- (a) An employee who is terminated from employment, retires, quits, dies or is discharged will be paid unused vacation pay earned in accordance with the provisions as outlined in Article 15 of the Master Agreement.
- (b) The provisions set forth in Item (a) above shall also be applied in the same manner utilizing the appropriate time period in each of the subsequent years of the Master Agreement.

SECTION 46

- (a) For vacation time off in accordance with Article 15, Section 47 (a) of the current Master Agreement, an employee may use up to one (1) week (forty [40] hours) each vacation take year in units of one-half (1/2) day periods (four [4] hours) or more, with

pay for the following purposes:

- (1) Excused absences because of illness for which the employee does not receive accident and sickness insurance benefits, at the employee's average hourly earned rate for the week, including cost-of-living and night shift differential.
 - (2) Any absence which has been requested by the employee and excused by the immediate supervisor, provided, however that the employee's request will be denied only for the reason that it will interfere with production or operational requirements. Any request for paid absence allowance by an eligible employee made subsequent to the absence will be approved for payment, but the payment will not make the absence an excused absence or preclude the Company from considering the absence as the basis, in whole or in part, for disciplinary action.
 - (3) Additional scheduled vacation time immediately prior to or following the employee's other vacation time unconnected with any plant vacation shutdown, at the appropriate vacation pay rate.
 - (4) By automatically receiving pay in lieu of time off for the period not used in accordance with vacation purposes (1), (2) and (3) above. This payment is to be made on the second (2nd) payday immediately following the end of the vacation take year at the appropriate vacation pay rate.
- (b) Employees who have allocated part of their vacation as casual days off in accordance with Section 45 (a) above and who thereby do not have full weeks of vacation time left during a vacation shutdown equal to the length of the shutdown will be disqualified for Supplemental Unemployment Benefits for the period of time not covered by their vacation during the vacation shutdown, except as is further provided for in Section 50 of Article 15 of the current Master Agreement.

SECTION 47

- (a) A laid off employee may receive the vacation pay to which entitled while on layoff unless the employee requests the Company in writing to hold their vacation pay, await their return to work and schedule their vacation, provided however, that all unused vacation will be paid no later than the second (2nd) pay period following December 31 for all subsequent vacation take years. If there is a vacation shutdown, the vacation pay will be paid by the Company immediately prior to the vacation shutdown.
- (b) An employee who has not taken vacation during the period provided for will not be entitled to pay in lieu thereof, except in the case of an employee who was prevented from taking a full vacation prior to the end of the vacation take period because of continuing illness or injury during the last two (2) months of the vacation take year, and except as provided for in this Article. In those cases, the employee will receive pay in lieu of vacation.

The Company will, prior to October 31st of the vacation take year, give notice of

those employees who have not yet taken their vacation to the Chairperson of the Local Bargaining Committee. The Company cannot pay out vacation without authorization from the employee.

SECTION 48

If the Company does not shut down or, in the event of a vacation shutdown, with respect to additional weeks of vacation time off, vacation will be scheduled throughout the year adhering as closely as practicable, in view of operational requirements, to the expressed desires of employees. Employees, however, will not be scheduled to take vacation before March 1 of any year, except at their request. In order to assure that vacation time is fairly and equitably determined, the following general provisions will apply:

- (a) Weekly vacation quotas will be established as has been locally agreed to except that weeks scheduled for the buck hunting week, the months of January and February, and weeks of pay in lieu of vacation will be excluded from the available number of weeks to be scheduled. At least ninety (90) days prior to the start of the vacation take year, a notice will be posted in each department stating the weeks during which vacations may be taken and the number of employees who may take vacations in each week. Commencing two (2) weeks subsequent to the posting of the notice, each employee in the department, commencing with the most senior employee, will be permitted to identify the week (or weeks, if entitled to more than one (1) week) during which the employee desires vacation.

In the event that not all employees requesting vacation at a particular time can be permitted to take vacation at that time because either the number requesting a particular week is too great, or the services of some of the employees requesting vacation time are needed due to their skills to meet production requirements, the employees who cannot be scheduled for vacation time will be permitted to identify an alternate period, in accordance with seniority which will be subject to the same limitations as stated above. Vacations may not be postponed from one year to another.

- (b) Employees who fail to identify desired vacation times after two (2) weeks' notice to do so will be given the choice of open weeks during which their services can be spared, commencing with the longest service employee. If an employee fails to identify a preference within a one (1) week period after being requested to do so under this Subsection, the Company will schedule that employee for vacation time in accordance with production requirements.
- (c) After all vacation time assignments have been made, which shall be no later than fifteen (15) days prior to the start of the vacation take year, the vacation time assignments will be posted in each department within one (1) week thereafter.
- (d) An employee who is transferred from one department to another after vacation assignments have been made in the department from which the employee was

transferred, will retain the assigned vacation time unless it is necessary in view of production requirements to change the employee's vacation time. In those cases where it is necessary to change vacation time, the employee involved will be given the opportunity to state a preference of unassigned vacation time during which the employee's services are not needed to meet production requirements.

- (e) An employee who is injured or becomes ill prior to the start of the vacation may reschedule vacation subject to the provisions of this Section.

SECTION 49

With respect to any work to be performed during the vacation shutdown, the following procedure will apply:

- (a) Employees will be canvassed for volunteers in seniority order by department, classification and shift where work is scheduled.
- (b) In the event the Company's requirements are not satisfied under Subparagraph (a) above, the Union agrees that these manpower requirements will be satisfied through a procedure to be developed at the plant level, which will ensure that the manpower requirements are satisfied in accordance with Article 8 of the Macungie Local Supplemental Agreement.
- (c) In the event an employee working during the vacation shutdown has received less than sixty (60) days' notice of the work, the employee will be entitled to SUB and unemployment compensation, if otherwise eligible, for any working days when they are not scheduled to work during that shutdown period.
- (d) The Company agrees to notify any employee who is scheduled to work during the vacation shutdown period no later than the third (3rd) Monday prior to the shutdown, if the Company intends to cancel that work. If the work is canceled subsequent to that cutoff date, any employee affected by that cancellation will be considered laid off during the vacation shutdown period and will be entitled to any applicable benefit for which the employee is eligible.

SECTION 50

All employees will be paid on the basis of their hourly straight-time rate (including applicable shift premium) received for the week preceding their vacation.

SECTION 51

- (a) A vacation period will consist of consecutive work days. Vacation periods of one (1) week or longer will commence on a Monday. All vacation pay is to be received in advance.
- (b) Employees, at their option, may leave their vacation pay with the paymaster until they return from vacation.

- (c) Employees entitled to four (4) weeks of vacation shall have the option to take pay in lieu of time off for the fourth (4th) week of vacation. Employees entitled to five (5) weeks of vacation shall have the option to take pay in lieu of time off for the fifth (5th) week of vacation. It is agreed that employees entitled to five (5) weeks of vacation will not have the option of taking pay in lieu of the fourth (4th) week of vacation except as is provided for in Section 51 of this Article. Upon the exercise of vacation pay option, an employee will receive pay on the second (2nd) pay period after making the request.

SECTION 52

- (a) An employee who first acquires ten (10) or twenty (20) years' seniority during the vacation take year may schedule the additional week of vacation or take pay for that week in lieu of time off at the time of scheduling.
- (b) An employee who schedules and takes vacation in accordance with Subsection (a) above, and who subsequently has a break in seniority prior to reaching his/her anniversary date, will have the appropriate amount of money which was paid in advance for the unearned vacation deducted from their final check.

SECTION 53

It was agreed that where vacation scheduling problems exist, the Company and the Union will meet to discuss and resolve any problems, consistent with the provisions of this Article.

ARTICLE 16 WAGES, STARTING RATES & PROGRESSION

SECTION 54

The wage rates for all job classifications are as listed in Appendix A of this local Agreement.

SECTION 55

The starting rate for inexperienced employees hired in any classification in Appendix "B" and "C" shall be as outlined in Article 16 of the Master Agreement.

SECTION 56

Six percent (6%) shift premium will be paid for all work performed on the second (2nd) and third (3rd) shifts (nights).

SECTION 57

Any employee regularly called to work but not given work shall receive four (4) hours'

pay at the employee's regular basic hourly rate except in case of stoppage of production caused by labor disputes. Any employee called to work or permitted to come to work without having been properly notified that there will be no work, shall receive a minimum of four hours' pay at the regular hourly rate, except in cases of labor disputes, or other conditions beyond the control of the Local Management.

SECTION 58

(a) Employees called in to perform work during a period of time separated from their regularly scheduled shift and not continuing into, or extending beyond, the scheduled shift shall be paid as follows:

- (i) A minimum of two (2) hours' pay at one and one-half (1 1/2) times the base rate (including cost-of-living allowance and night shift differential, if any) for work performed on any one of the first five (5) regular work days in their work week.
- (ii) A minimum of two (2) hours' pay at the regular premium rate of one and one-half (1 1/2) times and two (2) times the base rate (including cost-of-living allowance and night shift differential, if any) respectively on Saturday and Sunday.

ARTICLE 17 - TRANSFERS - WAGE RATES

SECTION 59

When an employee is transferred from one job to another, the employee shall receive the job rate for the new job, provided, however, that an employee who has not yet completed the employee's hiring progression pursuant to Article 16, Section 56, shall be transferred at the employee's same relative position within the wage progression for the new job classification until the employee has completed the employee's hiring progression period.

SECTION 60

If an employee is transferred or assigned to one (1) or more job classifications during a single workday, the employee shall receive the rate of the highest paying job for all hours worked during that day.

SECTION 61

At the time of transfer or as soon as possible thereafter, an employee transferred from one job to another shall be given a written notice stating the effective date of the transfer, the classification and rate from which the employee is transferred, and the classification and rate into which the employee is transferred. A copy of the notice will be given to the Union.

SECTION 62

Exceptions to the contract provisions relating to transfers to different classifications may

be made by agreement between the Company and the Union.

ARTICLE 18 - WORK STANDARDS

SECTION 63

Work standards for all measurable work may be established on the basis of fairness and equity consistent with the quality of workmanship, the efficiency of operation, and the reasonable working capacity of skilled and experienced workers. The method of establishing new work standards or changing current standards shall jointly be discussed with the Union prior to implementation. In the case of production processes that said, the method must conform to recognized industrial engineering principles.

When a non-production standard is being changed both the company and the union will meet to discuss the change before the standard is implemented.

SECTION 64

When a work standard or estimated standard is placed into effect, an employee may not grieve the standard until he/she has attempted to make the standard for a period of time sufficient to determine its accuracy.

If the employee cannot make the standard after an honest attempt to perform the job, the following procedure shall be followed:

1. He/She will report the specific problems to his/her Supervisor.
2. The Supervisor, in a timely manner, will observe to see that the employee is following the proper methods and utilizing the proper equipment. He/She shall also insure the job is being performed under standard conditions and that the job is properly set up.
3. If after making necessary adjustments, the employee still cannot meet the standard, he/she may call for his/her Committeeperson. If the Supervisor and the Committeeperson cannot resolve the dispute, the Industrial Engineer or Manager who set up the job, if available, shall be summoned to review the operation and participate in the discussion with the Supervisor and Committeeperson.
4. If the dispute remains unresolved, the Committeeperson may process a grievance.

No employee shall be disciplined for failure to meet an estimated standard until after the employee and his/her Committeeperson have been notified that said employee has not met the standard within the qualification period.

In keeping with lean manufacturing concepts, the employee will have input regarding how his/her job assignment is set up or altered. Such input may come through the employee's suggestion or interaction between the employee and his/her supervisor and/or the attendant engineer.

SECTION 65

When a job is being restudied or disputed under the procedures above, the findings of such re-examination, whether they are by time study or other techniques, will be made available to the operator and/or his Committeeperson upon request.

Job breakdowns, which will include the actual times it takes to perform individual items of an employee's job, and/ or other pertinent data concerning the job dispute in question will be provided to the Union and employee upon request from the Committeeperson; however, it is mutually recognized that it would be impractical to provide this information during periods of work acceleration or decreases; however, such information shall be made available as soon as reasonably possible.

SECTION 66

The provisions of this work standards procedure shall not be subject to the arbitration provisions of this Agreement except by mutual agreement. Discipline for failure to meet production standards shall be subject to arbitration. Discipline assessed for failure to meet a work standard which is later found to be in error shall be adjusted on the basis of fairness and equity based upon the attendant circumstances.

SECTION 67

Production standards used for making work assignments on production lines shall not contain personal allowances. Production line workers shall receive forty-six (46) minutes for personal needs. All production standards shall contain a two and one-half percent (2.5%) miscellaneous allowance.

ARTICLE 19 - DISCHARGE AND DISCIPLINE

SECTION 68

The Company shall continue its present practice of notifying an appropriate Committeeperson prior to the removal or rejection of any employee from its premises.

ARTICLE 20 - STRIKES AND LOCKOUTS

SECTION 69

In accordance with the provisions of Article 20 of the Master Agreement, the Union shall have the right to strike, in accordance with the procedure set forth therein.

ARTICLE 21 - HEALTH & SAFETY (See Master Agreement)

ARTICLE 22 - PENSION PLAN (See Master Agreement)

**ARTICLE 23 - INSURANCE PROGRAM
(See Master Agreement)**

ARTICLE 24 – S

**UPPLEMENTAL UNEMPLOYMENT BENEFIT PLAN AND
SEVERANCE PAY PLAN
(See Master Agreement)**

**ARTICLE 25 - TRANSFERS TO OTHER PLANTS
(See Master Agreement)**

**ARTICLE 26 - NO DISCRIMINATION
(See Master Agreement)**

ARTICLE 27 - JOB SECURITY AND OUTSIDE CONTRACTING

SECTION 70 - MACUNGIE OUTSOURCING

During the 2012 negotiations, the Parties agreed to the following provisions in regards to outsourcing:

- (a) Outsourcing will be limited only to the extent of production on line work and off-line sub-assembly work. The term “production on line work and off-line sub-assembly work” shall not be construed to include an ability to outsource the complete cab groom assembly line, the complete hood groom assembly line, any non-assembly work or operations, including but not limited to the Customer Adaptation Center, final department, indirect labor, etc. Except as enumerated herein, the provisions of Article 27 will continue.
- (b) The company will not make sourcing decisions that have the potential to impact headcount without first describing the reasons for the contemplated decision with the Union. The company, in good faith, will take into consideration input from the Union prior to making the final decision. However, these discussions will not jeopardize the timeliness of the decision. The analysis process for make/buy decisions will be the Volvo Financial Review Procedures. Should a disagreement arise during the final make/buy review, the appropriate Union Representative and appropriate UAW Leadership will be provided a review opportunity with the senior manager of the area impacted.

- (c) The appropriate Union Representative will participate in the review of the make/buy decisions and will be provided the information and data necessary to make meaningful contribution to the process. The appropriate Union Representative will also serve as the bargaining unit point of contact to consider bringing work into the plant. The appropriate Union Representative may participate in vendor visits.

In consideration of the above, the following conditions are agreed to:

- (a) The terms and conditions of Letter 3 of the Macungie Local Supplemental Agreement will apply.
- (b) All current employees, by name, will not be subject to layoff from company-initiated sourcing decisions for the life of this Agreement.
- (c) The list of names will be reduced as persons on the list who, after the effective date, retire, die, quit, or otherwise cease to be employees.
- (d) No additional names will be added to the list during the term of this agreement.
- (e) Employees on the list may only be laid off due to reductions caused by volume or product mix changes.
- (f) If sufficient volunteers are not obtained through the voluntary layoff provision, an involuntary layoff will occur. Employees with less than ten (10) years of seniority who are involuntarily laid off as a result of a volume decrease will receive up to fifty-two (52) weeks of SUB benefits and up to fifty-two (52) weeks of H-S-M-D coverage.
- (g) Persons not on the protected list may be subject to layoff as a result of company-initiated actions, including, but not limited to introduction of technology, productivity improvements and sourcing decisions for the life of this agreement.

ARTICLE 28 - GENERAL

SECTION 71

The Company agrees that all pending grievances under the prior contracts, and all arbitration awards under the prior contracts which have not been affected by this Agreement, shall maintain the same status as though the prior contracts had been continued without change.

SECTION 72

The Company will make every reasonable effort to see to it that the present food and refreshment services furnished by the concessionaire in its facilities are adequate, provided these services are self-sustaining.

SECTION 73

The Company will provide bulletin boards in the plant at Macungie, at the locations as shall be agreed upon by the Company and the Union, not to exceed, however, in number the Company bulletin boards.

SECTION 74

In the event it becomes necessary to perform a Plant inventory, the procedure to be followed will be developed at the local level.

SECTION 75

All employees who are waiting to be examined by the Company physician before starting work upon return from sick leave will be compensated at the appropriate rate until the employee is released from the medical examination.

SECTION 76

Employees desiring to take time off on a General Election day shall be permitted to take two (2) hours off, without pay, for the purpose of voting. Employees desiring to take advantage of this Section will give their Supervisor as much advance notice as possible. Employees will only be permitted to take two (2) hours off without pay for the purpose of voting if they are unable to vote due to their scheduled working hours, such as a double shift that prevents them the opportunity to vote.

SECTION 77

It is the intention of the parties that all non-bargaining unit employees shall not perform any bargaining unit work. This is not to be interpreted to prevent the necessary function of instruction and demonstration.

SECTION 78

Employees who punch in any time after the start of the shift (e.g.: 6:45:01 AM for day shift, etc.) will be docked .10 of an hour for up to 6 minutes late.

SECTION 79

Effective September 1, 1997, the Macungie Operations is a smoke-free facility.

SECTION 80

Quality Audit personnel in performance of their job responsibilities shall operate vehicles on Company property to/from the Final lot and the Audit room and to validate the level of quality we are delivering to our customer, in accordance with the requirements of the Global Product Audit manual. In this capacity, the auditors will test drive the trucks being audited, perform a water test, and to verify all other functions of the truck in the audit process. In order to verify the functionality and integrity of the truck the auditors will have the ability to use the appropriate tools to verify the quality and reliability of the trucks. Auditors will not repair any

deficiencies found. It is recognized that such repairs have historically been made by the Offline Production Technicians. If any repairs require another classification's expertise the parties can mutually agree that these repairs are necessary. In order for the auditors to test drive the trucks, they will add mud flaps, licenses etc. in order to legally drive the truck. This clearly adds no value to the truck as these will all be removed after the audit is completed.

SECTION 81

The Union shall receive all profits derived from the vending machines operated in the shop, and shall be used for social, recreational sports, scholarships, Children's Christmas Party, annual picnic or other constructive purposes for Union members and their families.

SECTION 82

- (a) Upon conclusion of these negotiations, the Parties have agreed to have the "personal preparation" time evaluated by the Manufacturing Engineering Department. The studied time for "preparation and clean-up" purposes will then be placed into the Macungie work assignment as a line item.
- (b) In order to maintain effective unit output in the paint department due to increased paint pass requirements, a new paint procedure is instituted effective February 1996 as a means to maintain schedule needs. As a result, all spray painters in the cab paint area (including Final), as well as the "G" Line (VEH-1) and "H" Line (VEH-2) spray painters, are needed to prepare and maintain equipment twelve (12) minutes prior to the start of the shift and six (6) minutes following the shift. This procedure will remain in effect as long as the paint pass requirements exceed the Operation's eight (8) hour/shift paint capacity.
- (c) The additional eighteen (18) minutes per day, identified in (b) above, shall be paid in accordance with the provisions of Article 13 of the Master Agreement. The overtime paid in compliance with this section will not reduce the short work week allowance paid when applicable.
- (d) The spray painter jobs listed in (b) above, will be offered to the "most" senior spray painters. In the event this does not secure the required personnel, spray painters will be placed into the jobs in inverse seniority order. Employees entering the Spray Painter classification will be offered, seniority permitting, the opportunity to secure one of the jobs listed in (b) above. When any of the jobs in (b) above become open, any painter requesting the job shall fill the opening. When more than one (1) employee requests the open job, the most senior employee will fill the job.
- (e) Employees assigned to spray painting as a replacement for the jobs listed in (b) above after the start of their regular shift will not be paid an overtime premium unless the employee is required to paint to the end of the shift. In these cases, employees will be afforded twelve (12) minutes to clean up after the completion of the shift and be compensated in accordance with Article 13 of the Master Agreement.

SECTION 83

Management will make available combination tool boxes from the Company tool crib for use by employees classified as Production Technician Offline. The tools remain the property of the corporation, are the responsibility of the individual employee to whom they are assigned and shall be returned to the tool crib upon transfer from the Final Department.

Employees presently classified as Production Technicians Offline who require "specialty" tools in the performance of their job assignment may obtain the tools from the tool crib on an as-needed basis.

Tools which become damaged in the course of work, lost, or stolen will be investigated and verified by Management, and reviewed on a case-by-case basis for replacement purposes, consistent with existing policy.

SECTION 84

All employees who report to the dispensary as a result of an injury incurred in the performance of the employee's job duties or as a result of a medical condition necessitating being transported by ambulance during the regularly scheduled shift will be compensated at the appropriate rate. The employee must abide by the medical pass procedure except in case of an emergency.

SECTION 85

Employees presently classified as Material Technicians or employees who transfer into the Material Technician group will be afforded necessary training on CRT or "plant information systems" related to their job responsibilities.

SECTION 86

- (a) Replacements for Spray Painters in the Macungie Division due to absenteeism will be populated in the following manner:
- (b) The appropriate number of Spray Painters will be added to the Cab/Chassis area. They normally will function as Production Technicians and will only be utilized for vacancies due to absenteeism, wherever they may occur in the Spray Painting classification of Department 227. The least senior spray painters will be utilized in this capacity unless there are more senior spray painters who desire to be utilized for absenteeism replacements. They will be assigned to Department 227 for overtime purposes.
- (c) Currently, there are two (2) STA's assigned to Department 227 for the spray painter classification. One will be assigned to Cab paint, and one will be assigned to the Chassis lines for the purpose of eliminating delays with the movement of manpower during the following conditions:

- Peak loads
- Daily absenteeism and tardiness
- Training
- Physicals and therapy
- Dispensary Visits

This procedure will eliminate downtime due to manpower requirements at the start of the shift and reduce the need to shutdown final paint or the tricolor booth.

In addition to the above responsibilities, the chassis paint STA may be assigned in accordance with the provisions of Section 87 (b) above, whenever necessary after the Cab paint STA has been utilized.

And when no spray painters' work is available, the spray painter STA's will be assigned to the Production Tech classification.

- (d) Touch-up paint work in Final can be performed by the Production Technician-Final and any work beyond touch-up will be performed by the Spray Painter. Touch-up work is defined as a correction of a defect with a finished area which is approximately fourteen (14) inches by fourteen (14) inches or less. In addition, when touch-up work is being performed the Company will continue the practice of not requiring the Production Technician-Final to use an air brush. Rather, use of the air brush will continue to be optional. Touch-up work performed by the Production Technician-Final will be done in the booth if the booth is available.
- (e) The Parties had many discussions concerning paint quality and the skill levels associated with spray painting in Cab Paint during the 2012 Local Wage & Seniority Agreement negotiations. The Parties have agreed to attract the best qualified candidates and compensate them for the required skills that the Spray Painters and the STA Painters will be paid a rate of one dollar (\$1.00) above the established Production Technician rate.

SECTION 87

All future tractors purchased by the Company for inter-plant purposes shall be equipped with power steering.

SECTION 88

The Company will provide a program to place protective covers and heaters on lift trucks used extensively on the outside.

SECTION 89

The Utility Welder will perform all other welding functions not currently assigned to the skilled trades Welder. When welding work is not available, the Utility Welder will be assigned to the Offline group to perform Production Technician Offline work in the Offline Department welding area.

SECTION 90

The Sheet Metal Finisher will perform all sheet metal finishing work. When finishing work is not available, the Sheet Metal Finisher will be assigned to the Offline group to perform Production Technician Offline work in the Offline Department paint area.

SECTION 91

- (a) All employees, except production employees, will be granted a five (5) minute period at the end of each work shift for putting away tools and making preparation to go home. Work shall continue, however, until the five (5) minute whistle blows.

Employees shall not be processed for transfer or be canvassed for overtime during this five (5) minute period.

- (b) The above provision shall be applied whenever work shifts are scheduled for four (4) hours or more.

SECTION 92

Management will meet with the appropriate Committee person on those occasions when warranty work is scheduled to be performed. The parties will discuss the nature of the work for the purpose of determining whether any Mack labor will be required (e.g., disassembly of work previously assembled by Mack labor). When such work is required, the appropriate bargaining unit personnel will perform such work and return to his/her regular job unless otherwise needed. Regardless of whether or not Mack labor is required, a Material Technician-Inspector will inspect the product following the completion of the supplier warranty work. For the warranty work required to be performed by the vendor, the Company will encourage the vendor to subcontract the required work to Mack Macungie. The Union Leadership is committed to provide the necessary manpower to efficiently complete the customer requirements timely. It remains the option of the vendor to choose the appropriate resolution.

SECTION 93

When work is to be performed by vendors during the off shift hours, the Company will meet with the Union and discuss said work to ensure that it is not work which a bargaining unit employee should be doing.

SECTION 94

It is Management's intent to use security cameras and devices throughout the facility for the sole purpose of security. The equipment will not be used for the purpose of monitoring employee's job performance or for invading employee's rights to privacy.

The parties agree that when the cameras are ever used inside the facility the parties will meet and discuss the use prior to installation and implementation.

ARTICLE 29 - POSTING CONTRACT

Management will promptly provide a sufficient number of printed copies of the Macungie Local Supplemental Agreement for distribution to each represented employee. The Parties will jointly proofread the Local Supplemental Agreement prior to printing to insure accuracy.

ARTICLE 30 - SUCCESSORS
(See Master Agreement)

ARTICLE 31 - DURATION
(See Master Agreement)

ARTICLE 32 - PROFIT SHARING PLAN
(See Master Agreement)

ARTICLE 33 - LEGAL SERVICES PLAN
(See Master Agreement)

ARTICLE 34 - APPRENTICES

SECTION 95

Skilled trades for the purpose of this Agreement shall mean only the mutually recognized skilled trades occupations assigned to the Facilities Maintenance Department.

All work shall be performed in compliance with the OSHA recommended Mack Trucks, Inc. Lockout policy.

Facilities Maintenance Department employees shall be licensed to operate power equipment in the performance of the duties of their classifications. Lift trucks or any other transporting equipment may also be used to move production materials to the extent required incidental to the performance of the regular duties of their classifications.

Layout Department can use power lifting equipment to move supplies and parts in and around their department in the performance of their duties.

Facilities Maintenance Department employees shall be responsible for the loading, unloading and movement of office furniture, maintenance material, machinery and equipment.

Common carrier items delivered through the receiving department to be delivered to Facilities Department or other designated drop area.

Layout Machinist	Tool Fixture Welder
• Sheet metal layout and bend allowance	• Stick, mig, tig welding, flat and vertical
• Shear and V-brake operation	• Stick, mig, tig welding, overhead position
• Lathe, mill, grinders, drill press	• Oxy/acetylene burning, welding, brazing
• Tool and fixturing design	• Heat treat and hardening
• Tool and fixture repairs	• Fixture and jig design to support welding operations
Electrical	Mechanical
• General wiring	• Boiler operations
• Heavy construction	• Welding
• 3 phase wiring	• Plumbing/pipefitting
• Motor control	• Machine repair/auto
• PLCs	• Hydraulic/pneumatic

SECTION 99

Definition of Journeyman

The term Journeyman when used in this Agreement means an employee who:

- (a) has satisfactorily completed a bona fide apprenticeship training course with similar standards to the Mack-UAW Apprenticeship Training Program or is a UAW Journeyman skills card holder.
- (b) has properly carried Journeyman status in any Mack plant under the terms of previous agreements between the parties; or
- (c) has been reclassified as a Journeyman under the terms of this Agreement; or
- (d) upon transfer or hire into an opening in the Skilled Trades, can document that the employee has worked in the trade for a period of time at least equivalent to the four years on-the-job experience required for classification to Journeyman status. Copies of any documents presented pursuant to this provision will be furnished to the Training Committee for evaluation.

SECTION 100

- (a) Management will study its future maintenance Skilled Trades Manpower needs, and, at least once each six (6) months, will post a list of jobs, if any for which a shortage of Journeymen is anticipated. Where qualified Journeymen are not available in the plant, management may obtain qualified Journeymen as new hires. Employees working on other than skilled trades classifications will be permitted to file application for posted vacancies, listing their qualifications. Employees entering the skilled trades group will be

required to possess the appropriate tools for their respective classification.

- (b) Prior to obtaining new hire Journeyman, management will seek qualified Journeyman through the Apprentice pool. If the Apprentice pool does not yield qualified Journeyman, a plant-wide posting asking for qualified Journeyman will take place. Whether Journeyman applies from the Apprentice pool or as a result of the posting, documented proof must be submitted to the training committee for approval prior to awarding Journeyman status, and entering the group. Employees entering the skilled trades group will be required to possess the appropriate tools for their respective classification.
- (c) Recognizing the desirability of allowing employees in the skilled trades' classifications to fill jobs on the shift of their preference, the Company and the Union agree to the following procedure when filling skilled trades openings:
 - (1) When an opening occurs on a specific shift, the job requirement(s) shall be satisfied by canvassing employees on the skilled trade date of entry list who have designated that shift as their shift preference whether they are currently working in the skilled trade department or not. An employee who does not return to their preferred shift will lose their date of entry.
 - (2) Openings created as a result of a change in the number of employees assigned on a specific shift in a skilled trade classification (e.g., an increase on one shift and a decrease on another) will be offered in seniority order, after the application of (1) above. Upon completion of this canvass, if no one accepts to fill the opening, the employees on the skilled trade date of entry list not currently working within the skilled trade department shall be canvassed. If the employees choose not to return when initially canvassed, they shall establish a shift preference at that time by completing a skilled trade shift preference form.
 - (3) Employees not working in the Facilities department who have different shift preferences will not be canvassed, regardless of date of entry, until all employees with a shift preference for the shift matching the opening have been canvassed. However, an employee with a different shift preference who elects not to return to the skilled trade will not lose their date of entry. In the event openings still exist after the canvassing, the Apprentice list will be used to fill the vacancy. If openings still exist after exhausting the Apprentice list, a posting will occur in accordance with Article 34, Section 105.
 - (4) Once skilled trades' employees on the date of entry list have established their shift preference(s), such preference may only be changed by completing a form available in the Facilities office. This form may be completed during the last two.

(2) weeks of the quarters (i.e., last two weeks of March, June, September, and December of each year).
- (d) Where qualified journeymen are not available in the plant, management will meet with the skilled trades' committee person and discuss methods to satisfy journeymen manpower requirements prior to obtaining qualified journeymen as new hires. As part of this process, the Company will:

- recall previously qualified Macungie Operations Mack journeymen from layoff and if there are none;
- identify employees on general layoff who may qualify as Journeymen and if there are none who qualify;
- identify any employees on the Master Recall List who may qualify as Journeymen and if there are none who qualify then;
- hire new Journeymen.

(e) Additional manpower required during the two-week summer vacation shutdown will be posted as temporary positions with no date of entry established.

SECTION 101

- (a) In the event of a reduction in force in the Skilled Trades, any excess shall be from the affected Skilled Trades occupation and shift in reverse order of Skilled Trades Date of Entry in that occupation. If the employee has sufficient plant-wide seniority, the employee shall be transferred back to the employee's pre-transfer seniority group as provided in Article 7 of the Macungie Local Supplement.
- (b) If there is a plant-wide reduction that requires employees to be laid off and there are excesses in the Skilled Trades Department, Apprentices would be excessed unless an understanding was reached as written in Article 34, Section 105 (Article 8).
1. If there are no Apprentices in the Skilled Trades group, the most senior Journeyman who is eligible for voluntary layoff would be placed on voluntary layoff.

SECTION 102

- (a) Employees in the skilled trades classifications who desire to change their shift shall make application for transfer of shift by the end of the employee's regular second day of work of the normal regularly scheduled work week. If the employee's request is not made within this period, the employee's transfer will not be effective until the week following the next payroll period.
- (b) Transfer requests shall be granted on the basis of skilled trades date of entry within the classification and group, e.g., Mechanical-Journeyman may only displace a Mechanical-Journeyman who has a less senior date of entry; or a Mechanical Apprentice who has a less senior date of entry; or a Mechanical Apprentice may only displace a Mechanical Apprentice who has a less senior date of entry.
- (c) An employee making a transfer of shift request shall not have the right to cancel or withdraw the request. An employee shall have the right to change shift under this section no more than four (4) times within each calendar year.

SECTION 103 TRAINING COMMITTEE

- (a) Objective: To insure that training is required for all skilled trades employees and that we have a fully qualified skilled trades group, especially with the increasing need for specialized job knowledge in the areas of robots and PLC equipment, and to prepare for the increasing probability of retirements within the skilled trades classifications.

Establish a training committee composed of the union committee person, a representative from the area vocational/technical school and/or Human Resources, facilities department management representative, and three (3) skilled trades employees (1 mechanic, 1 electrician, 1 layout machinist) to develop and implement an apprenticeship program for the skilled trades as well as a performance evaluation process for bidders/new hires. The committee will identify who needs training, monitor the training, develop individualized training plans, and have input into the selection of training institution(s).

SECTION 104 - Apprentices Program

Article 1 Definitions

- A. "Company" shall mean Mack Trucks, Inc.
- B. "Union" shall mean the duly authorized representatives of International Union, UAW and its Local Union 677.
- C. "Standards of Apprenticeship" shall mean this entire document including these definitions.
- D. "Registration Agency" shall mean the Bureau of Apprenticeship and Training, U.S. Department of Labor or State Apprenticeship Agency where such agency has been established.
- E. "Apprenticeship Agreement" shall mean a written agreement between the Company and the person employed as an apprentice. The agreement shall then be approved and signed by the person and Secretary of the Committee and registered with the Registration Agency and the Local Union.
- F. "Apprentice" shall mean a person engaged in learning and assisting in the trade to which assigned and who is covered by a written agreement providing for training in accordance with these standards of apprenticeship.
- G. "Apprentice Coordinator" shall mean the person employed by the Company as the person assigned the responsibility to perform the duties outlined in these standards of apprenticeship.
- H. "Committee" shall mean the Training Committee composed of representatives of the Company and the Union established under these standards for the purposes of administering the apprenticeship program and duties referred to in Article 13.

- I. "Journeyman" means employees in a specific trade and shall not be construed to include journeymen employed in other trades. The word journeyman is used to designate individuals with proficient skill levels in a trade and is not intended to reflect gender.

Article 2 Equal Opportunity in Apprenticeship

"The recruitment selection, employment, and training of apprentices during their apprenticeship shall be without discrimination because of race, color, religion, national origin, or sex. The sponsor will take affirmative action to provide equal opportunity in apprenticeship and will operate the apprenticeship program as required under Title 29 of the Code of Federal Regulations (CFR) Part 30, as amended.

Article 3 Apprenticeship Eligibility Requirements

Apprenticeship openings and testing will be posted on the Company's bulletin boards as openings occur in accordance with provisions of the apprenticeship program.

Applications for apprenticeship will be accepted by the Human Resources Department from seniority employees within the Bargaining Unit who consider themselves eligible under this program.

In the event a journeyman would need to be hired, the procedure as detailed in Article 34, Section 101 (b) of the Macungie Supplement will be followed.

After a preliminary check of each application by the Human Resources Department, applicants meeting the eligibility requirements as outlined in this program will be referred to the Training Committee for approval or disapproval.

Applicants meeting the minimum eligibility requirements as outlined in this program will be referred to the Training Committee for selection. Selection of applicants will be based on the following:

1. Applicants passing the assessment test will be chosen by seniority. The specific score required to pass will be based on the recommendation of the testing institution.
2. Outside applicants will be ranked by test results. Highest will be first.

Records of all applications and the selection process will be retained as determined by the Training Committee.

Article 4 Credit for Previous Experience

Credit for previous experience in the military service, an apprentice training program or a skilled trade classification including another facility, may be given up to the total time required on any phase of the apprenticeship training or related training schedules in

accordance with registration agency. Credit for such previous experience shall be given apprentices only at the time they have satisfactorily demonstrated that they possess such experience and are able to do the job. Related training credit shall be given apprentices at the time they have demonstrated that they possess the educational knowledge for which they are requesting credit under the related training schedule. At the time such credit is given, the apprentice's wage rate shall be correspondingly adjusted within the apprentice rate schedule based on the amount of credit given toward completion of the shop training schedule.

Article 5 Term of Apprenticeship

The term of apprenticeship shall be established by these apprenticeship standards in accordance with the schedule of work process and related instructions as outline in Appendices attached hereto.

Each phase of the scheduled hours of shop training contained in a local program will be considered complete if it is within ten percent (10%) of the figure assigned to a particular phase of training. Where optional time is agreed to in the work schedules, not more than five percent (5%) of the total time may be assigned to optional work as set forth in the standards. Deviations from the limitations of this paragraph may be approved by the Training Committee.

Credit will be awarded to apprentices for incidental sick, Accident and Sickness, workers' compensation time, or bereavement allowance not to exceed a sum total of fourteen (14) work days in a calendar year.

Article 6 Grace Period

The first five hundred (500) hours of employment for apprentices who are seniority transferees shall be a grace period. During this grace period, these transferee apprentices may elect to return to their previous occupations and their apprenticeship agreements will be canceled by the Training Committee. After the five hundred (500) hour grace period, if the apprentice voluntarily leaves the skilled department, they forfeit the apprenticeship program and right to return. The registration agencies shall be advised of all such cancellations.

(1) Newly Hired Employees

The probationary period for newly hired employees as apprentices, shall be the first five hundred (500) hours of employment.

Article 7 Hours of Work

Apprentices shall work the same hours during the work week and be subject to the same conditions as the skilled workers of their trade. This includes being placed on the appropriate skills rotational overtime list. When apprentices are required to work overtime on special occasions, those occasions will be discussed between the Union

and Company representatives to achieve desired results. Apprentices on these occasions will receive credit on the term of their apprenticeship, for only the actual hours worked. The Training Committee may schedule related training classes during the apprentices normal work hours. The Company may reassign apprentices to off shifts as necessary to supplement training needs. In such cases, the appropriate shift differential shall be paid.

The Training Committee shall limit the hours of overtime work of an apprentice where excessive work schedules interfere with related training.

Article 8 Ratio

When the Company determines to enroll new apprentices, the apprentices will be chosen in seniority order from the eligibility list in conjunction with the Training Committee.

During the transition time where EIT's and EITS's are becoming journeymen, apprentices will be first impacted by layoffs, or excesses, unless the Company and Union come to an agreement to alter this understanding.

When a permanent reduction in force occurs in a trade where Apprentices are employed, Apprentices shall be excessed until the ratio of Apprentices to Journeymen is one (1) to eight (8) or major fraction of eight (8). Thereafter, Apprentices shall be laid-off at the ratio of one (1) Apprentice for each eight (8) Journeymen laid-off in the trade. This is with the understanding that Journeymen and Employees In Training who were assigned to skilled trades prior to July 1, 2001 will not be laid off as a result of the application of the ratio referred to in this paragraph. The Company and Union have agreed that when a voluntary layoff occurs, the Company will consider alternate ways to layoff to avoid excessing apprentices, otherwise the excess will be by date of entry starting with the least senior Apprentice.

The apprentices will exercise their seniority in their own group. For example, if there are four (4) apprentices in any specific trade and a reduction in this number is required due to lack of work, apprentices who are probationary employees shall be laid-off first. Thereafter, the first hired shall be the last laid-off and the last laid-off shall be the first to be recalled.

In the event the reduction in force is due to unusual circumstances including, but not confined to, a transfer of or discontinuance of an operation, major technological developments, the elimination or consolidation of classifications, the discontinuance of a shift, or a drastic reduction in the level of work resulting in a heavy reduction in the skilled work force, the local parties shall mutually agree to an acceptable layoff and recall plan.

If the Company requires more journeymen, it will go to the apprenticeship pool seeking journeymen before hiring from the outside. Documented proof of experience must be presented to the Training Committee for verification.

An employee having seniority in the plant who enters the apprentice training program

shall, during the period of his/her apprenticeship, retain and accumulate seniority in their former seniority group, and if excessed from the apprenticeship training program, they shall be able to return to the workforce, seniority permitting.

When the work force is increased in a trade, apprentices may be recalled in accordance with their date of entry into the apprentice program when the journeymen levels increase in accordance with the ratio used at the time of layoff. Apprentices on layoff will be recalled before journeymen are hired into the trade to which the apprentices are assigned.

Article 9 Seniority

1. Employees successfully completing the Apprentice Program will be assigned a date of entry to their respective classification, reflecting the start date of their Apprentice Program. Should more than one employee be transferred into the Apprentice Program on the same date, the most senior employee will be given that actual date, the employee(s) next in line of seniority will be given an adjusted entry date based on seniority and the dates following the transfer. Seniority will be based upon the local Macungie or MCC seniority date. (As an example: Four (4) employees enter the apprentice program on August 13, 2012. The most senior employee transferred receives the August 13, 2012, respective date of entry. The second most senior employee receives an adjusted date of August 14, 2012, as their respective date of entry. The third most senior employee receives an adjusted date of August 15, 2012 as their respective date of entry. The fourth most senior employee receives an adjusted date of August 16, 2012, as their respective adjusted date of entry. All persons entering the apprentice program shall always have an individual date of entry.) Apprentice Program completion is in accordance with the US Department of Labor requirements.

In regards to graduating apprentices and journeyperson transferees from other locations, it is possible for a graduating apprentice to have an earlier date of entry into their respective skilled trades classification. (As an example: A journeyperson who transferred to Macungie from Hagerstown with a date of entry of January 12, 2010 and an apprentice who has graduated after the January 12, 2010 date of entry of the Hagerstown employee and who has a date of entry of March 9, 2008, will be placed ahead of the Hagerstown employee.) In regards to a new hire journeyperson, an apprentice with a date of entry prior to the date of hire of the journeyperson will be placed ahead of the new hire upon successful graduation. As per Article 34, Section 98, Paragraphs A & B date of entry determines seniority in the skilled trades department.

2. Upon successful completion of the Apprentice Program, only if there are no openings available in the employee's skill trade classification, the employee shall exercise their seniority in accordance with Article 7 of the Macungie Supplemental Agreement.
3. By the Veterans Reemployment Act, returned veterans who had their apprenticeship program interrupted shall, upon completion of the apprenticeship, receive seniority credit equal to the time on course, plus the length of service in the Armed Forces.

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3. By the Veterans Reemployment Act, returned veterans who had their apprenticeship program interrupted shall, upon completion of the apprenticeship, receive seniority credit equal to the time on course, plus the length of service in the Armed Forces.

Article 10 Discipline

The Training Committee shall have the authority to cancel the apprenticeship agreement for an apprentice at any time for just cause pertaining to the apprenticeship, such as inability to learn, unsatisfactory work, or lack of interest in work or education. Such canceling shall not be subject to the grievance procedure.

The Company has the right to discipline apprentices for cause or matters not related to their training as apprentices. Such discipline by the company may be subject to the grievance procedure.

Article 11 Wages

Newly hired Apprentices in each of the trades covered by these standards shall be paid a progressively increasing schedule of wages as follows:

- 1st 1000 hours - not less than 65% of the journeyman wage rate.
- 2nd 1000 hours - not less than 70% of the journeyman wage rate.
- 3rd 1000 hours - not less than 75% of the journeyman wage rate.
- 4th 1000 hours - not less than 80% of the journeyman wage rate.
- 5th 1000 hours - not less than 85% of the journeyman wage rate.
- 6th 1000 hours - not less than 90% of the journeyman wage rate.
- 7th 1000 hours - not less than 95% of the journeyman wage rate.
- 8th 1000 hours - not less than 95% of the journeyman wage rate.

Employees transferring into the Apprentice program from another classification effective June 4, 2001, shall be paid a progressively increasing schedule as follows:

APPRENTICE RATES EFFECTIVE AS OF 10/25/2019				
Electrical				
Hours	11/4/19	10/1/20	10/1/21	10/1/22
0-1000	<u>29.12</u>	<u>29.43</u>	<u>39.74</u>	<u>30.06</u>
1-2000	<u>29.37</u>	<u>29.68</u>	<u>29.99</u>	<u>30.31</u>
2-3000	<u>29.62</u>	<u>39.93</u>	<u>30.24</u>	<u>30.56</u>
3-4000	<u>29.87</u>	<u>30.18</u>	<u>30.49</u>	<u>30.81</u>
4-5000	<u>30.12</u>	<u>30.43</u>	<u>30.74</u>	<u>31.06</u>
5-6000	<u>30.37</u>	<u>30.68</u>	<u>30.99</u>	<u>31.31</u>
6-7000	<u>30.62</u>	<u>30.93</u>	<u>31.24</u>	<u>31.56</u>
7-8000	<u>30.87</u>	<u>31.18</u>	<u>31.49</u>	<u>31.81</u>

APPRENTICE RATES EFFECTIVE AS OF 10/25/2019				
Mechanical				
Hours	11/4/19	10/1/20	10/1/21	10/1/22
0-1000	<u>29.12</u>	<u>29.43</u>	<u>39.74</u>	<u>30.06</u>
1-2000	<u>29.37</u>	<u>29.68</u>	<u>29.99</u>	<u>30.31</u>
2-3000	<u>29.62</u>	<u>39.93</u>	<u>30.24</u>	<u>30.56</u>
3-4000	<u>29.87</u>	<u>30.18</u>	<u>30.49</u>	<u>30.81</u>
4-5000	<u>30.12</u>	<u>30.43</u>	<u>30.74</u>	<u>31.06</u>
5-6000	<u>30.37</u>	<u>30.68</u>	<u>30.99</u>	<u>31.31</u>
6-7000	<u>30.62</u>	<u>30.93</u>	<u>31.24</u>	<u>31.56</u>
7-8000	<u>30.87</u>	<u>31.18</u>	<u>31.49</u>	<u>31.81</u>

APPRENTICE RATES EFFECTIVE AS OF 10/25/2019				
Layout				
Hours	11/4/19	10/1/20	10/1/21	10/1/22
0-1000	<u>29.30</u>	<u>29.61</u>	<u>29.92</u>	<u>30.24</u>
1-2000	<u>29.55</u>	<u>39.86</u>	<u>30.17</u>	<u>30.49</u>
2-3000	<u>29.80</u>	<u>30.11</u>	<u>30.42</u>	<u>30.74</u>
3-4000	<u>30.05</u>	<u>30.36</u>	<u>30.67</u>	<u>30.99</u>
4-5000	<u>30.30</u>	<u>30.61</u>	<u>30.92</u>	<u>31.24</u>
5-6000	<u>30.55</u>	<u>30.86</u>	<u>31.17</u>	<u>31.49</u>
6-7000	<u>30.80</u>	<u>31.11</u>	<u>31.42</u>	<u>31.74</u>
7-8000	<u>31.05</u>	<u>31.36</u>	<u>31.67</u>	<u>31.99</u>

APPRENTICE RATES EFFECTIVE AS OF 10/25/2019				
Tool Fixture				
Hours	11/4/19	10/1/20	10/1/21	10/1/22
0-1000	<u>29.22</u>	<u>29.53</u>	<u>29.84</u>	<u>30.16</u>
1-2000	<u>29.47</u>	<u>29.78</u>	<u>30.09</u>	<u>30.41</u>
2-3000	<u>29.72</u>	<u>30.03</u>	<u>30.34</u>	<u>30.66</u>
3-4000	<u>29.97</u>	<u>30.28</u>	<u>30.59</u>	<u>30.91</u>
4-5000	<u>30.22</u>	<u>30.53</u>	<u>30.84</u>	<u>31.16</u>
5-6000	<u>30.47</u>	<u>30.78</u>	<u>31.09</u>	<u>31.41</u>
6-7000	<u>30.72</u>	<u>31.03</u>	<u>31.34</u>	<u>31.66</u>
7-8000	<u>30.97</u>	<u>31.28</u>	<u>31.59</u>	<u>31.91</u>

The Company agrees to pay, on behalf of apprentices covered by this agreement, for books, registration fees and/or tuition required in connection with related training under the apprentice program.

If apprentices are laid-off, they may elect to continue school classes. Tuition, books and time spent in class during such layoff period will be paid upon the return of the apprentices to the apprentice program providing the apprentice present tuition and book receipts to the Company.

Apprentices will be paid their regular base hourly rate while attending required classes of academic instruction. If an apprentice comes up for overtime the night the apprentice is scheduled for classroom instruction, classroom instruction will be attended first. This will count as time worked for overtime and will be charged to the hours worked for equalization purposes. Overtime hours spent in classroom instruction, when not up for overtime in a regular turn for overtime, will not be used for chargeable hours for equalization purposes.

Apprentices who are given credit for previous experience shall be paid (upon signing the apprenticeship agreement), the wage rate for the period to which such credit advances them.

Apprentices are to receive not less than the rate paid to journeymen in the trade in which they served their apprenticeship, after completing eight thousand (8,000) hours and receiving approval of their completion of training by the Training Committee.

Article 12 Related Instruction and School Attendance

Each apprentice shall enroll and attend weekly classes for the minimum number of related instruction hours as outlined for each particular trade, (according to instructions by the Training Committee.) Each apprentice after enrollment in such classes shall be registered with the appropriate State agency as an apprentice student on the forms furnished for this purpose.

The location and quality of the classroom instruction shall meet with the approval of the Training Committee.

The schedule or related instruction shall be outlined in appendices attached hereto.

In the case of failure on the part of apprentices to fulfill their obligation as to school attendance or successful academic accomplishment, the Training Committee may suspend or revoke the apprenticeship agreement. The apprentices hereby agree to abide by any such determination of the Committee.

The Registration Agencies and the Local Union, the Local Board of Education, the State Agency and the UAW Regional Director shall be notified of any such cancellation. This action will terminate the eligibility of the apprentice as a student.

Article 13 Training Committee

This Committee shall be composed of six (6) members, half of who shall represent the Company and half of who shall represent the Union. The Committee shall elect a Chairperson and a Secretary. When a Company member is a Chairperson, a Union member shall be Secretary, and vice versa. The Committee shall meet weekly, or on call of the Chairperson, Secretary or any two (2) members of the Training Committee.

The Union shall appoint three (3) journeymen, one from each skill group (Mech., Elect. and Layout) to serve in this capacity. Such appointees will be paid their regular rate of pay for hours worked on the Training Committee.

It shall be the duty of the Committee to:

1. See that prospective apprentices are interviewed and impressed with the responsibilities they are about to accept, as well as the benefits they will receive.
2. Accept or reject applications for apprenticeship after preliminary examination by the Human Resources Department. The acceptance or rejection of applications for apprenticeship shall be governed by the standards established herein.
3. Place apprentices under agreement, in accordance with the provisions of this Agreement.
4. Evaluate, investigate and determine credit for previous experience.
5. Hear and mutually decide on all questions involving the apprentices, which relate to their apprenticeship.
6. Establish procedures with the appropriate State and Education Agencies. The form, contents, and schedule of the course or courses of instruction to be provided. The Committee will also cooperate with the school authorities in coordinating the related classroom instruction with the apprentice's basic schedule of work experience.
7. Offer constructive suggestions for improvement of training on the job.
8. Certify the names of graduate apprentices. No certificates will be issued unless approved by the Committee.
9. Approve the minutes of committee meetings as provided by the Secretary.

10. Be responsible for the successful operation of the apprenticeship standards in the plant and the successful completion of the apprenticeship by the apprentices under these standards. The parties mutually agree that the decisions of the Training Committee are final and not subject to the Grievance Procedure.

Article 14 Coordinator of Apprentices

Apprentices shall be under the general direction of the Training Committee and under the immediate direction of the Supervisor of the department while working with a journeyman whom assigned. The Apprentice Coordinator is authorized to move apprentices from one shift and department to another in accordance with the predetermined schedule of work training. No apprentice may be retained on a scheduled work process for the period longer than the time scheduled for such work process unless permission is granted in writing by the Committee.

The Training Committee, or an individual charged with this responsibility, in consultation with the Training Committee, shall prepare adequate record forms to be filled in by the Supervisor under whom the apprentices receive instruction and experience. Supervisors shall make a report at least every thirty (30) days to the Apprentice Coordinator on the work and progress of the apprentices under their supervision. These reports shall be submitted to the Joint Committee for its approval or disapproval.

If the Apprentice Coordinator finds that an apprentice shows a lack of interest or does not have the ability to become a competent Journeyman, the Coordinator shall place all the facts in the case before the Committee for their considerations.

Under these circumstances an apprentice may be permitted to continue in probationary status, required to repeat a specified process or series of processes or their agreement may be terminated.

Article 15 Consultants

The Committee may request interested agencies or organizations to designate a representative to serve as consultant(s) to the Committee. Consultants will be asked to participate without vote in conferences on special problems related to apprentice training, which affect the agencies they represent. This provision shall not be construed to compel any changes in these standards.

Should any dispute arise which cannot be satisfactorily settled within the committee, either party may ask the Registration Agency to consider the matter.

Article 16 Apprenticeship Agreement

Apprenticeship Agreements entered into under these Apprenticeship Standards shall contain a clause making the Standards part of the Agreement with the same effect as if expressly written therein. For this reason, each applicant (and their parent or guardian if

a minor) shall be given an opportunity to read the Standards before signing their Apprenticeship Agreement.

The following shall receive copies of the Apprenticeship Agreement:

1. The Apprentice
2. The Company
3. The Training Committee
4. The Registration Agencies
5. The Local Union
6. The Veterans Administration

Article 17 Certificate of Completion of Apprenticeship

Upon completion of the apprenticeship under these Apprenticeship Standards, the Training Committee will require that a certificate signifying completion of the Apprenticeship be issued by the Bureau of Apprenticeship and Training, U.S. Department of Labor, or by any State Apprenticeship Agency, unless otherwise approved by the Training Committee.

Upon receiving the Certificate, the Chairperson and Secretary of the Training Committee will sign the Certificate before issuing it to the graduate.

Article 18 Approval and Modification of Standards

These Apprenticeship Standards may be amended or new schedules added at any time upon mutual agreement of the Company and the Union (Bargaining Committee). Such changes or amendments to these Standards will be submitted to the International Skilled Trades Department of the UAW and to the appropriate Registration Agencies for approval before becoming effective.

Article 19 Health and Safety Training

The employer shall instruct the apprentice in safe and healthful work practices and shall insure that the apprentice is trained in facilities and other environments that are in compliance with either the Occupational Safety and Health Standards promulgated by the Secretary of Labor under applicable Public Law or State Standards that have been found to be at least as effective as the Federal Standards.

Article 20 Registration and De-registration

The registration of these Standards of Apprenticeship by the Registration Agency certifies that the Standards conform to the Labor Standards, which the U.S. Department of Labor believes are necessary to safeguard the welfare of apprentices in our industry.

The Labor Department's General Labor Standards for Apprenticeship Programs as set forth in Title 29 of the Code of Federal Regulations.

This program may be deregistered upon the voluntary action of the sponsor, by the sponsor's request for cancellation of the registration. The program may also be deregistered, for reasonable cause, by the Registration Agency when the Agency institutes formal deregistration proceedings in accordance with provisions of applicable Code of Federal Regulations.

Upon de-registration or voluntary cancellation of the program, the sponsor will inform each apprentice, within 15 days, of the de-registration or cancellation and the effort of such action. This notification will conform to the requirements of applicable Code of Federal Regulations.

Article 21 Complaint Procedure

The Committee shall supply written notice of the Complaint Procedure Title 29 of Code of Federal Regulations Part 30 as amended to all applicants for apprenticeship and all apprentices.

Filing:

1. Any apprentice or applicant for apprenticeship who believes that he/she has been discriminated against on the basis of race, color, religion, national origin, or sex with regard to apprenticeship or that the equal opportunity standards with respect to his/her or her selection have not been followed in the operation of an apprenticeship program may, personally or through an authorized representative, file a complaint with the Department or, at the apprentice's or applicant's election, with a private review body established pursuant to subparagraph (3) of this paragraph. The complaint shall be in writing and shall be signed by the complainant. It must include the name, address, telephone number of the person allegedly discriminated against, the program sponsor involved and a brief description of the circumstances of the failure to apply the equal opportunity standards provided for in this part.
2. The complaint must be filed not later than 180 days from the date of the alleged discrimination or specified failure to follow the equal opportunity standards and, in the case of complaints filed directly with review bodies designated by program sponsors to review such complaints, any referral of such complaint by the complainant to the Department must occur within the time limitation stated above or thirty (30) days from the final decision of such review body, whichever is later. The time may be extended by the Department for good cause shown.
3. Sponsors are encouraged to establish fair, speedy, and effective procedures for a review body to consider complaints of failure to follow the equal opportunity standards. A private review body established by the program sponsor for this purpose should number three or more responsible persons from the community among those serving in this capacity without compensation. Members of the review body should not be directly associated with the administration of an apprenticeship program. Sponsors may join together in establishing a review body to serve the needs of programs within the community.

Processing of Complaints

- 1.(a) When the sponsor has designated a review body for reviewing complaints, the Department, unless the complaint had indicated otherwise or unless the Department has determined that the review body will not effectively enforce the equal opportunity standards, shall upon receiving a complaint, refer it to the review body.
 - (b) The Department shall, within thirty (30) days following the referral of a complaint to the review body, obtain reports from the complainant and the review body as to the disposition of the complaint. If the complaint has been satisfactorily adjusted and there is no indication of failure to apply equal opportunity standards, the case shall be closed and the parties appropriately informed.
 - (c) When a complaint has not been resolved by the review body within ninety (90) days, or where, despite satisfactorily resolution of the particular complaint by the review body, there is evidence that equal opportunity practices of the apprenticeship program are not in accordance with this part, the Department may conduct such compliance review as found necessary and will take all necessary steps to resolve the complaint.
2. Where no review body exists, the Department may conduct such compliance review as found necessary in order to determine the facts of the complaints and obtain such other information relating to compliance with these regulations as the circumstances warrant.
 3. Sponsors shall provide written notice of the above complaint procedure to all applicants for apprenticeship and all apprentices.

Adjustments in Schedule for Compliance Review or Complaint Processing

If, in the judgment of the Council, a particular situation warrants and requires special processing and either expedited or extended determination, it shall take on steps necessary to permit such determination if it finds that no person or party affected by such determination will be prejudiced by such special processing.

SECTION 105

- (a) Within the Facilities Maintenance Department, overtime will be equalized among the skilled trades' employees by occupation and shift.
 - (1) Electrical occupation, for the purpose of scheduling overtime assignments, shall be comprised of Journeyman and Apprentice.
 - (2) Mechanical occupation, for the purpose of scheduling overtime assignments, shall be comprised of Journeyman and Apprentice.

(3) Layout Machinist occupation, for the purpose of scheduling overtime assignments, shall be comprised of Journeyman and Apprentice.

(4) Tool Fixture Welder occupation, for the purpose of scheduling overtime assignments, shall be comprised of Journeyman and Apprentice.

(b) Chargeable Hours:

All hours of overtime offered shall be charged as time worked, whether the employee accepts or refuses the overtime. These hours shall be charged towards the accumulated hours at year-end. Overtime records will be maintained on a continuous basis. On the first Monday in December of each year, the employee in each classification by shift who is the lowest in accumulated overtime hours will be adjusted to reflect zero (0) hours on the chart. All other employees with the same or higher hours than the employee lowest in hours will be adjusted accordingly. In the administration of this paragraph, employees who on the first Monday in December of each year have been charged with an accumulated number of hours less than the employee who is highest in hours will be paid for all hours of difference minus twenty-eight (28).

Example:

Employee A – 100

Employee B - 75=25 difference Pay 0

Employee C - 50=50 difference Pay 22 hrs.

Employee D - 25=75 difference Pay 47 hrs.

(c) Overtime: Employees who are on a scheduled forty (40) hours of vacation will not be eligible for overtime during that week until their return to work.

Exception to this rule shall occur under the following conditions:

If the employee is first on the overtime list for Early Start on the Monday for which the employee will return to work or the employee is in line for Early Start on the Monday for which the employee will return to work where more than one employee is scheduled, a phone call shall be made to offer the employee the Early Start.

If an employee is on prior approved absence or "called in" sick for Thursday or Friday when overtime is scheduled for Saturday or Sunday and the employee is "in line" to work, the Facilities Department will make a reasonable effort to contact the employee by phone to offer the overtime.

Early Start: The "overtime week" shall be from 07:00 Monday until 06:59 the following Monday. Any early start shall be offered to the first employee on the overtime list and continuing with the list rotation until the overtime requirement is satisfied.

Overtime hours shall be recalculated and charged at the conclusion of each week for the upcoming week, including Mondays that are holidays. The exception to this application is for required "skills" that may be necessary.

Apprentice Employees: The previous application that no Apprentice employee is permitted to work alone has been mutually agreed upon to be rescinded. Apprentice employees shall be permitted to work alone; however, necessary skills may be a determining factor for the overtime. The need for a necessary skill will be first discussed (if possible) with the Committeeperson.

The above understanding does not supersede letter of understanding 95-1.

- (d) Recognizing the need for flexibility and efficiency in the scheduling of skilled trades overtime work assignments, when there is overtime to be worked, it will be equalized by classifications and shift. Employees with the least number of hours will be given first consideration to overtime in their respective classification. Special circumstances such as unique skills, job knowledge, etc., may require deviations. This method of offering overtime employs the low Monday low all week concept.
- (e) Overtime records will be maintained for each classification by shift and they will be available for review by the Committeeperson.
- (f) Except as modified herein, the provisions of Article 13 of the Macungie Local Agreement will apply to skilled trades employees.
- (g) Employees who transfer shift to shift or otherwise leave a group for thirty (30) days or more will enter the group at average hours.
- (h) New employees entering skilled trades will begin their overtime with the highest hours for the group they enter.

SECTION 107

All provisions of the Master and Local Shop Agreement presently in effect which are not superseded by this Skilled Trades Agreement shall apply.

Addendum No. 1

During the discussions which gave rise to the Macungie Skilled Trades Agreement, the parties agreed that the non-skilled work performed by employees in the Service Mechanic classification will be assigned to the General Maintenance classification as listed below:

1. The collection/disposal of: Trash dumpsters, empty paint cans, cardboard, used oil and anti-freeze.

2. Stocking of janitorial supplies in all restroom facilities.
3. Cleaning of conveyor pits and the oiling of the conveyors.
4. Cleaning of line dollies and re-greasing of the dolly wheels.
5. Lawn maintenance.
6. All functions associated with the daily cleaning of spray booths and ovens, i.e., cleaning of the walls, ceilings, lights, grates, oiling of the tracts, coating on floors and sludge hoppers and filter changes. These functions are examples of the work to be performed but do not represent an all-inclusive list.
7. Changing paper in paint vaults, mixing rooms, Dyno, etc.
8. Stripping paint off floors of spray booths.
9. Clean tops of booths and ovens.
10. Vac air supply plenums of spray booths.
11. Scrapping of spray booth exhaust fans and exhaust stack cleaning.
12. Clean and re-oil ovens.
13. Clean out solvent buggies as required.
14. Stripping of spray booths - Prep for booth coating (Filmite).
15. Spraying of Filmite (Coverage by Skills. i.e., Equipment - Repairs).
16. Oiling of lines.
17. Delivery of bottled water and the cleaning of bottled water coolers.
18. Clean and maintain eye wash stations, fire extinguisher checks, booth overspray check sheets, replenish skill kits, spray booth chemicals, and centrifuge operation.

It is agreed as methods, technology or operating conditions change, the parties will meet to discuss the impact of transferring functions that no longer require special skills to general maintenance.

Note: Any jobs not included on this list will be performed by the classification previously performing the work.

Addendum No. 2 - Snow Removal Procedures

1. All snow and ice will be removed by the skilled trades group Monday through Friday.

For snow removal on Saturday, Sunday or holidays refer to Paragraph 5 of this addendum.

2. In the event a snow emergency exists Monday through Friday, and there is a shortage of skilled trades people to clear snow on the appropriate affected shift, the following will apply. All available mechanics will be canvassed from the previous shift. If there are not enough mechanics who accept, the workforce will be supplemented by Facilities employees as they report for work consistent with item 5 B of this addendum.
 3. If the Company decides in good faith that the manpower and equipment is not adequate, the Company shall contact the proper Union representative and explain the reasons for the need for outside contractor assistance in the removal of snow and ice.
 4. In the absence of a third shift in the Facilities Department, should any snow removal work be necessary in the hours between 11:00 P.M. and 7:00 A.M. during the regular work week, second shift employees will be called in up to 3:00 A.M. and day shift employees will be called in starting at 3:00 A.M. The appropriate overtime list will be utilized. Should either shift's overtime list be exhausted, the other shift may be called in to supplement the workforce. The following procedures for snow and ice removal to cover Saturdays, Sundays and holidays were agreed to between the parties to the Macungie Assembly Plant Skilled Trades Agreement.
- A. Effective November 1st of each year, two (2) lists will be established for employees desirous of performing Saturday, Sunday and holiday snow and ice removal.
- * One list will be comprised of employees who are actively working in the skilled trades classifications of Mechanical-Journeyman and Mechanical Apprentice. Employees will be placed on the list by their respective skilled trades date of entry.
 - * A second list will be comprised of employees who are actively working in the general maintenance classification. Employees will be placed on the list by their respective seniority dates.
 - * The two (2) lists will contain the shift and seniority date of each employee on the respective lists and will be updated as required. As employees enter their respective classification, e.g., general maintenance, mechanical skilled trades, they will be canvassed as their desire to be placed on the snow and ice removal list. Their names will be added to the bottom of the appropriate list. As employees leave their respective group, their names will be deleted from the appropriate list.
- B. Skilled Trades employees will:
- * Operate major snow removal equipment
 - * Shovel with the operation of equipment, as required.

General Maintenance employees will perform:

- * Snow Shoveling
- * Operation of small snow plows (lawn tractor type) and snow blowers
- * Spreading salt

- C. When utilizing the snow and ice removal list, the Company will call the first employee on the list and continue calling employees on the list in the order in which their names appear until the required manpower is obtained. Committeeperson representation shall be on the basis of five (5) or more employees working from the proper district. The Union President and Chairperson of the Bargaining Committee may also represent their constituents in accordance with the provisions of Article 13, Section 38 (c) of the Local Agreement. Failure to contact any of these Union representatives shall not result in a grievance; however, the Company shall make every reasonable effort to contact, in good faith, proper Union representatives.
- D. It will be the responsibility of the employee to inform the Company of any changes in address and telephone numbers.

The Company will attempt to contact employees from this list. Failure to contact any of these employees shall not result in a grievance; however, the Company shall make every reasonable effort to contact, in good faith, proper employees. In attempting to contact the proper employee, if the Company's telephone call is answered by an answering machine, a message will be left stating the time of the call, the name and phone number of the calling party and a request for the employee to return the call within thirty minutes. If the Company does not receive a return call within the allotted time, the record will reflect the employee's unavailability, and the Company will proceed to contact the next employee on the list.

- E. If the Company decides in good faith that the manpower and equipment is not adequate, the Company shall contact the Committeeperson and explain the reasons for the need for outside contractor assistance in the removal of snow and ice.
- F. The snow and ice removal list will be available for inspection by the proper Union representatives.
- G. Upon reporting to work, the Committeeperson or Alternate Committeeperson will be furnished a list of those employees contacted without response.
- H. The Saturday, Sunday, Holiday list for snow removal will be in effect from 7:00 A.M. Saturday until 5:00 A.M. Monday, with the same hours prevailing for holidays.
- I. If during the hours when snow and ice removal are in effect and the need for removal of snow and ice is necessary for the safety of employees entering or exiting the plant, one (1) facility employee, at work, may be assigned to perform snow and ice removal, consistent with "Item 5 B." Exception, a skilled trades mechanic may spread salt in conjunction with plowing requirements (salt spreader) and also in the absence of a G.M.

In the application of this procedure, time so spent shall not exceed one (1) hour in

duration.

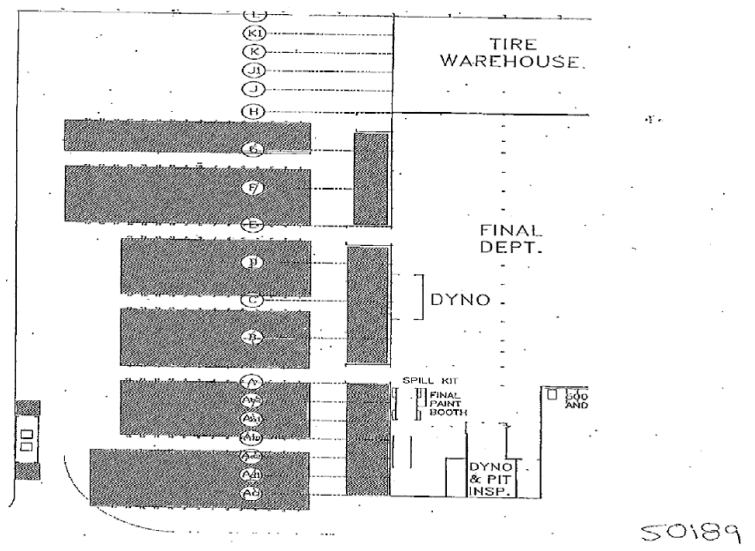
If more time is required for the removal of snow and ice, or when the outside contractor is requested for the removal of snow, consistent with "Item F," the snow and ice removal lists will be activated.

- J. In resolution of Grievance 50189, the Parties have agreed to the following. "It is now agreed that where the contractors plow snow with an approximate 8 foot or larger plow/blade, they will be responsible for salting, including salting those areas if not plowed. The Bargaining Unit will plow snow and salt the center aisles in the areas contained in the attached diagram in final repair where vehicles are parked as detailed in the attached diagram, next to the scale building and against the building. Management will make the determination as to when snow plowing, shoveling, snow blowing or salting due to ice or other inclement weather concerns occur or are predicted. If the outside Contractor is performing plowing or salting, Management will have the appropriate contractual classification performing the work in the areas they are responsible." Refer to diagram on page 113.

Addendum No. 3

During the course of these negotiations, the parties agreed to continue specific practices performed by employees in the Facilities Maintenance Department. These assignments are listed below:

- A. All spray booths and stacks will be cleaned, filters replaced and repaired, when necessary by the Facilities group. When the assigned work is completed, both the employee and the Supervisor shall inspect the work performed and, if satisfactory, both the employee and the Supervisor shall sign the inspection form.
- B. All cranes and hoists shall be inspected on a regular basis and, when necessary, repairs will be made by the Facilities group. When the assigned work is completed, both the employee and the Supervisor shall inspect the work performed and, if satisfactory, both the employee and the Supervisor shall sign the inspection form.



- C. Industrial truck repair for equipment assigned to the Macungie Plant. This work, however, excludes 1) State inspections, 2) Front-end alignments and 3) Major body work and painting.
- D. Electrical repair and maintenance of welding machines.
- E. Fixture building as historically assigned will be performed by the Layout Machinist classification.
- F. Pinning of conveyor lines will be done by the appropriate skilled trades classification with the exception of work connected with cleaning spray booths. (For purposes of clarification, Production Techs, Production Flex, etc. on the Cab & Sleeper Lines are allowed to pin and unpin on those conveyor lines provided the pin is not jammed or broken, which requires the appropriate skilled trades classification to remove or repair. On the Chassis Lines, the appropriate skilled trades classification will pin and unpin the chassis buggies/dollies. In the Paint Spray booths, the Production Techs, Production Flex, etc. are allowed to pin and unpin prior to the actual spray booth and oven area. Moves required in the actual spray booth and oven areas will be performed by the appropriate skilled trades classification in regards to pinning or removing and repairing pins.
- G. Clean-up of spills in excess of five (5) gallons will be done by the appropriate skilled trades classification. (Note: All classifications to be given training with hazardous materials and liquids.)
- H. All projects will be considered block of work, i.e., Spur Line Area Repaint – prepped, cleaned and painted – done by the appropriate skilled trades classification.

IN WITNESS WHEREOF, the parties have executed this MACUNGIE OPERATIONS
SUPPLEMENTAL AGREEMENT THIS 25nd day of October, 2019:

FOR LOCAL 677

Karl Klaus
Regional Rep.

Walt Smith
President

Kevin Fronheiser
Shop Chairperson

Louis Kurtz
Committeeperson

Michael Kalusky
Committeeperson

Rusty Jones
Committeeperson

FOR THE COMPANY

John Ptolemy
Manager, Labor Relations

Timothy Newman
Director of Human Resources

Letter #1

Reissued: October 25, 2019
(Original date 2/20/78)

Mr. Walt Smith
President
U.A.W., Local 677
2101 Mack Boulevard
Allentown, Pennsylvania 18103

Re: Temporary Layoff Interpretation
Article 7, Section 11

Dear Mr. Smith:

After several discussions and meetings between the Company and the Union, the following has been agreed to when applying the contract language on Temporary Layoffs:

1. When an area is affected by a temporary layoff, it will be management's decision as to which shift would be affected by the layoff. This temporary layoff would be based on department, shift and classification.
2. Once a temporary layoff request has been signed, it will be valid on any job that the employee might transfer to, and it is not restricted solely to the job the employee was on at the time he/she completed the temporary layoff request form.
3. It is possible for a temporary layoff to exist at the same time the Division is involved in a general layoff.
4. When employees exercise their seniority under Article 9 and they are on temporary layoff, they will not be moved until the first Monday after their return to work; if the employees return to work on Monday, they will be moved to the appropriate shift that day.
5. If any employee is out on temporary layoff and is in the group on a temporary basis, and the temporary condition no longer exists due to the return of the employee they were replacing, that employee would be recalled from the temporary layoff and will exercise their seniority in accordance with the Contract. The employee that returns will then be subject to the conditions of this temporary layoff.
6. Any employee not at work for any reason other than disciplinary suspension will be allowed to sign up only on the first day that the employee returns to work.

7. If a person is out on any type of absence, that employee will be permitted to change their election by letter, provided the letter is received prior to the date specified in the Contract.
8. Employees out on temporary layoff will not be permitted to bid.
9. In any classification, department and shift where there is a temporary layoff, and should an employee wish to bump into that area, that employee will be permitted to bump providing that employee has seniority over one of the employees presently working. It is understood that the employee bumping into the area will not be placed in temporary layoff regardless of whether or not that employee elected temporary layoff, but will displace the least senior employee working.
10. The employee being displaced under Item #9 above will then be placed on temporary layoff providing that employee has seniority over another employee on temporary layoff. If the employee being bumped under #9 does not have seniority over another employee on temporary layoff, that employee bumped will then exercise their seniority in accordance with the Contract.
11. The least senior employee on temporary layoff will be the employee to return when affected by #10 above and will exercise their seniority in accordance with the Contract.
12. The liability of the Company with respect to #11 above will be limited to that presently incurred by the recall of an employee on any layoff.
13. The Company and Union will meet in order to resolve any problems that occur in connection with temporary layoff.

Sincerely,

John Ptolemy
Manager, Labor Relations

Letter #2

Reissued: October 25, 2019
(Original date 10/29/82)

Mr. Walt Smith
President
U.A.W., Local 677
2101 Mack Boulevard
Allentown, Pennsylvania 18103

Dear Mr. Smith:

Re: Standing Committees (U.A.W. 677)

In the 1984 contract negotiations, the Company and the Union discussed the release of employees for union business on "Standing Committees". The Company agreed to continue the present practices in relation to these releases within the Macungie Operations. The Union agreed to give timely notice, by telephone or letter, in requesting the release.

Sincerely,

John Ptolemy
Manager, Labor Relations

Letter #3

Reissued: October 25, 2019

Revised: October 2, 2012

(Original date 7/20/98)

Mr. Walt Smith, President
U.A.W., Local 677
2101 Mack Boulevard
Allentown, Pennsylvania 18103

Dear Mr. Smith:

Re: Work Content Assigned to the Macungie Operations

As discussed during the course of the 1998 Local Labor negotiations, several items of the previous letter #3 were incorporated into the Master Labor Agreement or removed from the labor agreements. However, the following items remain intact as written below:

1. During the term of this Agreement, all Mack models and their replacements that are currently in regular production at the Macungie Plant will, for the life of the new 2012 Local Wage & Seniority Agreement, continue to be exclusively produced in the Macungie Facility for the North American Market, until Macungie reaches full capacity. It is recognized by the Parties that the Macungie facility has current bottlenecks in both Cab Paint and Receiving that limit the capacity to manufacture vehicles. If Macungie does not have capacity to produce the required vehicle volumes for the North American Market, those excess units will be produced for the North American Market at the Volvo New River Valley Plant. If the Macungie Plant falls below capacity and work is at the Volvo New River Valley Plant that work would be returned to bring the Macungie Plant back to capacity rate. Prior to moving any work to the NRV Facility, the Company will meet and discuss with the local Union to confirm that the Macungie Facility is fully utilized to its capacity. If the Volvo New River Valley Plant is at capacity, the Local Parties will verify the capacity issues and have discussions with the International Union UAW to resolve, but it is agreed that there will not be a disruption in the delivery of Mack Trucks Brand products to its customers. This Agreement does not interfere with the production of the Mack Trucks Brand at any facility or any market outside of the North American Market for sale in those global regions outside of the North American Market.
2. The Company further commits to the assignment of the assembly of Glider Kits on models currently produced, to the Macungie Division as of the effective date for the productivity improvements referenced in accordance with Article 18, Section 19 of the 1987 Agreement for the North American Market.

Sincerely,

John Ptolemy
Manager, Labor Relations

Letter #4

Reissued: October 25, 2019
(Original date 11/4/92)

Mr. Walt Smith
President
U.A.W., Local 677
2101 Mack Boulevard
Allentown, PA 18103

Re: Foot Protection

Dear Mr. Smith:

Management will examine the current wall-to-wall foot protection requirements at the Macungie Assembly Plant. The results of this effort will be reviewed by, and input requested from, the Local Union.

In areas of the Macungie Assembly Plant where safety considerations require employees to wear foot protection, Management will abide by the provisions of Article 21, Sections 74 (a) and (d) of the Master Agreement dated October 2, 2001.

Individual difficulties associated with personal protective equipment may be raised directly with the Health and Safety Supervisor or this office for evaluation and correction.

Sincerely,

John Ptolemy
Manager, Labor Relations

Letter #5

Reissued: October 25, 2019
(Original date 11/4/92)

Mr. Walt Smith
President
U.A.W., Local 677
2101 Mack Boulevard
Allentown, PA 18103

Re: Additional Relief Time

Dear Mr. Smith:

During the 1992 Macungie Local Shop negotiations, the parties discussed the Union's concern for additional relief time. The parties have agreed to delete the five minute wash up time and add eight minutes to the personal relief time, thereby providing thirteen minutes to be used to extend the lunch period from seventeen minutes to thirty minutes for those affected employees. The parties further agreed that the miscellaneous allowance outlined in Article 18, Section 67 of the Local Supplemental Agreement would be reduced from five percent (5%) to two and one-half percent (2 1/2%).

Sincerely,

John Ptolemy
Manager, Labor Relations

Letter #6

Reissued: October 25, 2019
(Original date 11/4/92)

Mr. Walt Smith
President
U.A.W., Local 677
2101 Mack Boulevard
Allentown, PA 18103

Re: Production Standards

Dear Mr. Smith

During these negotiations, the parties discussed several matters relating to Production Standards. Management expressed interest in removing Letter #91-6, "Cycle Time" under Production Standards. The Union voiced its concern about attempts to make up production down time, accumulated or otherwise, and further, expressed an interest in achieving an understanding that provides an alternative to Letter #91-6.

As a result, Management affirmed its commitment to not use standard unit starting positions or variable starting positions for the purpose of compensating for units which may be lost due to down time or the "formula" by which placements are currently developed to make up or increase scheduled production to compensate for units which may be lost due to down time.

This subject will be reviewed with line Management to further ensure its understanding.

Sincerely,

John Ptolemy
Manager, Labor Relations

Letter #7

Reissued: October 25, 2019
(Original date 11/4/92)

Mr. Walt Smith
President
U.A.W., Local 677
2101 Mack Boulevard
Allentown, PA 18103

Re: Elimination of Steward Districts

Dear Mr. Smith:

In resolution of one of the most difficult issues before the parties in these 1992 Local Supplemental Agreement negotiations, the following was agreed to:

All present steward districts will continue to function in the same businesslike manner as they have in the past until they serve out their current terms of office through July 1, 1995 at which time steward districts will be eliminated. During this transitional period, language from the 1987 Agreement governing stewards will continue until the July 1, 1995 date.

The number of full time Committeeperson positions is based upon the specific history of the Macungie Local and will not be cited by either party for any reason in any other Local, unit or location.

It is recognized that these modifications of our representation provisions will help move Mack toward being more equally competitive with the industry, thereby aiding in Macks' drive for profitability and the accompanying job security which we all desire.

Sincerely,

John Ptolemy
Manager, Labor Relations

Letter #8

Reissued: October 25, 2019
(Original date 9/12/94)

Mr. Walt Smith
President
U.A.W., Local 677
2101 Mack Boulevard
Allentown, PA 18103

Re: Problem Resolution

Dear Mr. Smith:

The Company and Union agree that the most effective approach to problem resolution in the workplace is to have problems resolved at the point of origin. An issue that has long inhibited first line supervisors and UAW representatives from resolving problems as they occur in their respective areas is the concern of establishing a "practice." In order to eliminate this concern and foster an improved problem solving atmosphere, the parties agree that:

- Supervisors and the appropriate Union representatives working with them should openly discuss problems as they surface.
- The parties should resolve the issue in a manner that is mutually acceptable to them based on the work factors that exist at that time.
- The agreed upon solution shall not establish a practice or precedent for handling future occurrences of the same problem.
- If the same problem should reoccur, discussions will again take place for the best possible solution.
- If the parties agree to establish a practice, it shall be set forth in writing and signed by the Chairperson, Local 677 and the Human Resources Manager - Macungie.
- The Company and Union believe that by reaching this agreement, the effectiveness of problem solving at the first line level will be substantially enhanced, resulting in a more positive day-to-day working relationship.

Sincerely,

John Ptolemy
Manager, Labor Relations

Letter #9

Reissued: October 25, 2019
(Original date 3/14/94)

Mr. Walt Smith
President
U.A.W., Local 677
2101 Mack Boulevard
Allentown, PA 18103

**Re: Scheduled Overtime - Short-Term Volume
Increases**

Dear Mr. Smith:

During the past several months, the Company and Union have had numerous discussions concerning the utilization of scheduled overtime as provided for in Article 13, Section 37 of the Macungie Local Supplemental Agreement.

The parties have had an honest disagreement over what short term volume increases means as stated in Section 37 (5) of the language. In order to clarify this issue and avoid any future misunderstanding concerning the use of scheduled overtime, the following is agreed to:

- * The eighty (80) hours of scheduled overtime cannot be used at the sole discretion of the Company for normal production requirements but used only for short term volume increase.
- * While benefit costs associated with the recall of employees will be considered in making business decisions, they will not be used as a reason for working scheduled overtime.
- * As rates change and scheduled overtime may be required, informational meetings will be held to review the data with the union.
- * Scheduled overtime will be worked consistent with the provisions of the contract when:
 - Order intake increases above the average order intake requiring the build rate to be increased, and
 - The increase is based upon a need to meet customer delivery dates, and

- Where the orders require a reactionary response from Mack Trucks which means the delivery of the trucks requires they be built and delivered within up to a consecutive three (3) month time period immediately following normal processing time requirements, i.e. engineering and material lead times, and
- Where failure to meet the customer delivery dates could result in the customer not placing the order with Mack Trucks, and
- The overtime can be scheduled during a period lasting not more than three (3) consecutive months at a time, and
- The overtime is needed to prevent disruption in the plant associated with a short term (in this case, three (3) consecutive months or less) recall of employees.

If during the period of scheduled overtime the projected rate changes, scheduled overtime will be affected according to the examples on record as per the original short-term volume increase/scheduled overtime letter dated March 14, 1994.

Sincerely,

John Ptolemy Manager,
Labor Relations

Letter #10

Reissued: October 25, 2019

Revised: October 2, 2012

(Original date 10/10/96)

Mr. Walt Smith
President
U.A.W., Local 677
2101 Mack Boulevard
Allentown, PA 18103

Re: Macungie Customer Adaptation Center

Dear Mr. Smith:

Regarding the Customer Adaptation Centers (CAC) at both the Macungie Operations and Allentown Mack Customer Center (MCC), the Company and the Union discussed the importance of both centers to the future of the operation and the Macungie employees. The CAC represents a substantial investment in not only physical plant facilities, but also Macungie employees who will benefit from additional job opportunities and training. This is an opportunity for the Macungie Operations to go into a new line of business, increase new vehicle orders, and in doing so, provide additional job security. However, this new opportunity requires flexibility and competitiveness in operations. With this thought in mind, the Company and the Union have agreed to the following points of understanding for the operation of this new business venture:

- The CAC will be staffed with 2 job classifications: CAC Technician and Combination Welder/CAC Technician. The CAC Technician will assist production line Technicians in the installation of certain CAC options or may install specific unique options not in the production manning sheets. All delivery and stocking of areas/bins will be done by Material Technicians. The Combination Welder/CAC Technician will be a certified welder and will perform welding operations as required by the customer options. It is understood that only Material Technicians and certain skilled tradesmen can operate forklifts in the Macungie facility. However, some circumstances may dictate movement of stock or parts directly related to the CAC as currently performed by Engineering and Plant Layout.
- These jobs will be posted as per Article 8. Depending upon the estimated demand for CAC services at the time of the job posting, the Company will post for and train additional employees. The need to fill future vacation vacancies will be discussed with the Union as they arise. Due to the need for employees with strong mechanical skills, a minimum of 5 years of Mack experience in one or a combination of any of the following areas will be required: Final Mechanic, repair positions on the assembly lines, or assembly on any of the assembly lines, or appropriate related and proven experience. Both parties will review each bid application and mutually agree to the bidder's qualifications. Additional training will be provided for future employees on an ongoing basis.

- Employees who work in the CAC will receive approximately 5-6 weeks of training in such areas as: Health and safety, demerit audits, electrical operations, blueprint reading, Commercial Drivers License (CDL), Pre-Delivery Inspection (PDI), as well as team building skills. Since a CDL will be required, the Company will pay for the costs for CAC homespot employees associated with obtaining a CDL and its renewal. CAC Technicians will be subject to all Federal, state, and local regulations, including mandated alcohol and drug testing. Welding certification training will be provided to the Combination Welder/CAC Technician.
- Employees will be provided with the necessary tools.
- Layout work to be performed by the CAC Technicians will include frame layout. Any fabrication or modification type layout work will be done by the skilled trades. Work other than frame layout will be discussed between the parties and mutually agreed to.
- All provisions of the Master and Local Shop Agreement presently in effect which are not superseded by this agreement shall apply unless otherwise mutually agreed to between the Parties. The provisions of the agreements previously mentioned also apply to those bargaining unit employees assigned to work in the CAC at the MCC in Allentown.
- For openings or new positions at either Macungie or the MCC, employees will be canvassed by seniority by the Committeeperson. An employee accepting the canvass to either the Macungie or MCC CAC will work at that location. If an employee is required to go and work at the other CAC location during a workday in progress Management will provide the transportation to and back from the location. If an employee is needed for a full day or more to work at the other CAC location, they will report at that location for their respective shift to perform the work required. Movement of employees will be the result of development needs, training advisory capacity/expertise or workload. Prior to movement, Management will have a discussion and advise the Committeeperson of the move and the reasons behind the move. If the Union has concerns in regards to movement, the Chairman of the Shop Committee will contact the HR Director to resolve the issue.

The intent of this agreement is not to rearrange the work responsibilities of the existing classifications but to allow additional work to be insourced in a cost-efficient manner. Any work responsibilities not included in this written agreement will be discussed for mutual agreement prior to implementation.

Sincerely,

John Ptolemy
Manager, Labor Relations

Letter #11

Reissued: October 25, 2019
(Original date 5/6/95)

Mr. Walt Smith
President
U.A.W., Local 677
2101 Mack Boulevard
Allentown, PA 18103

Re: Daily Absenteeism Replacement Procedure for Production Technician Layout

Dear Mr. Smith:

The Company and the Union discussed the concerns of the parties regarding the Production Technician Layout classification. The following procedure is agreed to for daily absenteeism replacement of a Production Technician Layout employee up to three (3) consecutive work days.

- The Company will post a temporary job bid for the purpose of attaining a list of employees interested in learning the required skills for the classification of Production Technician Layout.
- All bidders will be notified of the intent to utilize people from the list as replacements when required.
- As a result of the posting, the Company and the Union will agree to a reasonable number of people, a maximum of four (4), to train for the position.
- Employees will be selected for training in seniority order.
- The amount of training necessary will be determined by management as a guideline and adjusted accordingly based on the employee's ability.
- While the employees are in training, they will be replaced and returned to the regular position upon completion of the training.
- When a Production Technician Layout is needed, the employees on the list will be rotated starting with the most senior employee on the list.
- For the purpose of overtime, a supplemental overtime list will be established with the names of the daily absenteeism replacements for the Production Technician Layout

classification. When the regular Production Technician Layout employee refuses unscheduled overtime or is absent from work, this list will be utilized. An employee on this list who has been offered overtime in his/her regular job assignment and either refused or accepted work will not be canvassed in the Production Technician Layout classification. However, if no one from the supplemental overtime list is so available, the least senior employee on the list who has accepted overtime in his/her own classification will be required to work overtime in the Production Technician Layout classification. The overtime record will be marked accordingly and the next employee on the list will be canvassed. This supplemental overtime list will be used after all homespots have been canvassed. If the homespot employee accepts the overtime, he/she will return to his /her job classification and will remain in the same position on that overtime list.

- If this procedure is used when an employee is out of his/her homespot in the Production Technician Layout classification, the most senior homespot employee will be paid the difference in monies between his/her current classification and the Production Technician Layout classification.

Sincerely,

John Ptolemy
Manager, Labor Relations

Letter #12

Reissued: October 25, 2019

Revised: October 2, 2012

(Original date 12/22/94)

Mr. Walt Smith
President
U.A.W., Local 677
2101 Mack Boulevard
Allentown, PA 18103

Re: Journeyman Levels

Dear Mr. Smith:

While recognizing that an appropriate minimum number of journeymen must be assigned by classification and shift within the Facilities Department, both parties understand that these minimum levels do not apply to the annual vacation shutdown, as job assignments during that period are made based upon the skill level of those employees scheduled to work.

When there is only one (1) skilled trades employee assigned to a shift, a journeyman will be required. The Company also agrees that when a journeyman opening exists to maintain the minimum journeymen levels, it will canvass all employees within the Apprentice skilled trades classification who are eligible to be upgraded to journeymen within six (6) months of such opening. This canvass will be done by date of entry. If no one internal to the group accepts the opening or is otherwise qualified, the job will be posted. Additionally, the Company also agreed that, when a journeyman does not apply for such a job posting, it will review the amount of time remaining until the otherwise qualified most senior Apprentice applicant closest to being upgraded to journeyman would reach journeyman status. This review will be done in consideration of the amount of time necessary to hire and train a new employee. After such review and discussion with the Union, the Company may then permit such employee to be assigned to the job.

Sincerely,

John Ptolemy
Manager, Labor Relations

Letter #13

Reissued: October 25, 2019
(Original date 7/22/96)

Mr. Walt Smith
President
U.A.W., Local 677
2101 Mack Boulevard
Allentown, PA 18103

Re: Facilities Department - Vacation Shutdown Manpower

Dear Mr. Smith:

This letter is to confirm our conversation with Tim Litzenberger during which the Company committed to meet no later than May 15 of each year to review the Facilities Department vacation shutdown manpower needs.

Sincerely,

John Ptolemy
Manager, Labor Relations

Letter #14

Reissued: October 25, 2019
(Original date 7/20/98)

Mr. Walt Smith
President
U.A.W., Local 677
2101 Mack Boulevard
Allentown, PA 18103

Re: Hunting Week

Dear Mr. Smith:

In order to accommodate the Macungie Operations employees' desires to take time off from work during the Buck Hunting Week and so that the Company can develop a production plan to meet customer demand that insures predictability of attendance and the ability to get the job done with the least disruption to production and quality, the following will apply:

- The Company and the Union will issue a joint letter detailing the guidelines for taking time off from work during the Buck Hunting week. Subsequently, a joint Union/Company canvass will be completed no less than 60 days before the hunting week to determine who will and will not be at work. The Operations production schedule will then be developed based upon the commitments of the employees during the canvass.
- There will not be any limit on the number of employees who may take time off from work during the Buck Hunting week. However, employees will only be permitted to take off from work for days that they are taking paid casual vacation or a paid full week of vacation. Employees who are not eligible for casual vacation will be permitted to take time off without pay.
- No one will be permitted to take time off unless he/she has scheduled the time off in accordance with the joint canvass. Any employee who designates time off for work must remain out of work for the days indicated.

- Flexibility in job assignments during this period of high absenteeism will be permitted in order to insure orderly, quality production. As much as possible, employees working on the assembly lines will be placed on jobs based upon job knowledge.
- As necessary, employees from the Flex Pool or the least senior employees in Department 223 may be assigned to the material technician and/or the General Maintenance classification.
- To ensure that employees are properly trained for the hunting week, the Company and the Union will jointly develop training plans. Training as deemed necessary to insure that the production schedule is met (i.e.: lift truck training for material technicians, critical jobs in production) will be permitted without having to follow normal overtime rotation canvassing procedures. Any employee who works overtime out of rotation for training purposes will take a miss on his/her next overtime turn.
- Although our goal is not to lose placements, any placements lost will be made up as necessary as per Article 13.
- Employees who have scheduled paid time off for days during the hunting week and subsequent to the scheduling have personal emergencies which result in the need to utilize the days reserved for hunting will be provided special consideration for taking unpaid days off during the hunting week.

Sincerely,

John Ptolemy
Manager, Labor Relations

Letter #15

Reissued: October 25, 2019
(Original date 7/20/98)

Mr. Walt Smith
President
U.A.W., Local 677
2101 Mack Boulevard
Allentown, PA 18103

Re: Working Trained Employees on Overtime

Dear Mr. Smith:

During the 1998 Local contract negotiations, the parties discussed the concept of working employees on overtime out of line of rotation based on the required job knowledge for the overtime work. The parties agreed that the appropriate union representative would meet with management, evaluate the facts and make a decision based upon the business need presented. When an agreement is reached, the employee scheduled for the out-of-turn rotation will receive a miss on his/her next overtime turn. Such agreements will not result in any other employee(s) on the overtime list being compensated as a result of this agreement.

Sincerely,

John Ptolemy

Manager, Labor Relations

Letter #16

Reissued: October 25, 2019
(Original date 7/20/98)

Mr. Walt Smith
President
U.A.W., Local 677
2101 Mack Boulevard
Allentown, PA 18103

Re: Dyno Tech - Special Overtime List

Dear Mr. Smith:

During the course of the 1998 Local Labor Negotiations, the Company and the Union agreed to create a special rotational overtime list as follows, for those employees in the Final Department who perform the dyno function:

- This list shall be made up of the current employees who perform the dyno function plus additional trained employees and will be utilized whenever it is necessary to work overtime in the dyno function.
- These additional trained employees will be determined by an internal Final Department canvass with all interested employees receiving the training.
- An employee who works overtime from this special rotational overtime list will receive a miss for his/her next turn on the regular final technician overtime list.
- If not enough employees on the special overtime list accept overtime, the least senior qualified employee(s) who accepted to work in the Final Department will work the overtime in the dyno function.

Sincerely, _

John Ptolemy
Manager, Labor Relations

Letter #17

Reissued: October 25, 2019
(Original date 7/20/98)

Mr. Walt Smith
President
U.A.W., Local 677
2101 Mack Boulevard
Allentown, PA 18103

Re: Backup Training for the Material Technician in the Facilities Department

Dear Mr. Smith:

Training for employees to create a backup training list for use when the Material Technician in the Facilities Department is absent will be established as follows:

1. Ongoing training will be provided for the two most senior day shift employees on a newly established Material Technician Facilities backup training list. A plant-wide posting of one week will be conducted with the two most senior employees being trained for this Material Technician Facilities replacement. An initial training period of 80 hours will be given to each of the two individuals. Training progress will be evaluated at this time for efficiency and progress. The list will be rotated so that each employee will receive eight hours of training once a month. A schedule for the training will be established on an ongoing basis.
2. Backup Material Technician Facilities replacements for absenteeism will be back filled by the flex group. When such absence occurs, assignment to the classification will coincide with the above-referenced training schedule. Whoever is assigned for training during the week of the absence(s) will be assigned to the Material Technician Facilities for any absenteeism that occurs during that same week. Such assignment will be in lieu of training for that given week. The employee to be temporarily assigned to the Material Technician Facilities will be released from his/her regular job assignment immediately upon request.
3. Any time an employee is assigned to the Material Technician Facilities, excluding those time periods that an employee has been assigned by bid, the employee will receive the rate of pay of the job classification from which he/she was assigned or the higher rate of pay. This includes assignments for the weekly training periods and daily absentee replacement(s) in accordance with the flex pool agreement.
4. For the purpose of overtime, a separate overtime list will be established with the names of the two most senior qualified Material Technician Facilities employees.

When the regular Material Technician Facilities refuses voluntary overtime, this list will be utilized. An employee on this list who has been offered overtime in his/her regular job assignment and refused such overtime shall not accept to work overtime as a Material Technician in Facilities. The overtime record will be marked accordingly and the next employee on the list will be canvassed. At no time will any employee on the Material Technician Facilities list be forced to accept overtime as a Material Technician in the Facilities Department.

5. If there is not enough work to perform when an employee is temporarily assigned to the classification, the temporarily assigned employee will be returned to his/her regular job classification providing he/she is there for a minimum of 4 hours, except when it is necessary to do GRRs and POs.
6. Both parties agree to meet and resolve any differences that arise during the implementation of this procedure.

MATERIAL TECHNICIAN FACILITIES REQUIREMENTS AND RESPONSIBILITIES

- Self-starter
- Good communications skills
- Ability to work in an unsupervised atmosphere
- Basic accounting procedures (inventory, receipts, etc.)
- Computer skills. Windows and mouse functions.
- Typing skills
- Receive emergency repair calls from shop and advise the appropriate supervisor
- Order and receive parts using EBD and iMaint
- Create requisitions for purchases including yearly blanket requisitions and purchasing card purchases not entered in EBD
 - Maintain log of requisition numbers. (Copy to be given to accounting at the end of each month, along with a copy of each requisition.)
- Call vendors for pricing
- Contact buyers for PO numbers for rush orders
- Follow-up on orders with vendors
- Create ATS's for all material being returned to vendors
- Do GRR's for accounts payable as requested.
- Purge exception report
- Maintain a perpetual inventory of parts
- Create a reorder report (d-Base VI - PC)
- Send price inquiries
- Order parts. Next day rush orders with special parts and deliver to supervisor
- Receive parts (GRR)
- Place parts in stock
- Record activity into inventory
- Maintain requisition files (old/new)

- Maintain an accurate inventory
- Reconcile purchasing card statement

The above items are not intended to be all inclusive.

Sincerely,

John Ptolemy
Manager, Labor Relations

Letter #18

Revised: October 25, 2019
(Original date 7/20/98)

Mr. Walt Smith
President
U.A.W., Local 677
2101 Mack Boulevard
Allentown, PA 18103

Re: Voluntary Layoff in Skilled Trades

Dear Mr. Smith:

During the 1998 contract negotiations discussions were held to clarify the voluntary layoff procedure as it pertains to the skilled trades. It was agreed that the application of Article 34, Section 110 means that if there is a plant-wide reduction that requires employees to be laid off and there are excesses in the skilled trades department, the following sequence will be followed:

Excesses will be scheduled in the E.I.T. group by shift first with employees who elected voluntary layoff being the first employees to be laid off.

Current manning in each group:

3 E.I.T. in group	0 E.I.T. sign-up for voluntary layoff
6 E.I.T.S. in group	3 E.I.T.S. sign-up for voluntary layoff
15 Journeymen in group	5 Journeymen sign-up for voluntary layoff

Example #1 Facilities has decided to excess 2 skilled trades department employees. Note, since no E.I.T. employees signed-up for voluntary layoff, the two least senior E.I.T. employees would be excessed from the group and processed in accordance with the language governing the plant-wide layoff.

Example #2 Using the manning above, if it was necessary to excess 4 skilled trades employees, the 3 E.I.T. employees would be excessed first, and then the most senior E.I.T.S. who volunteered and is eligible for voluntary layoff would be included and placed on voluntary layoff.

Example #3 Using the manning above, if 7 skilled trades employees were to be excessed, the 3 E.I.T. employees would be excessed, the 3 E.I.T.S. who volunteered would be placed on voluntary layoff and the least senior remaining E.I.T.S. would be excessed from the group and processed in accordance with the language governing plant-wide layoff.

Example #4 Using the manning above, if 10 skilled trades employees were to be excessed, the 3 E.I.T. employees would be excessed, the 3 E.I.T.S. employees who volunteered would be placed on voluntary layoff and the remaining 3 E.I.T.S. would be excessed from the group and processed in accordance with the language governing plant-wide layoff. Finally, the most senior Journeyman who is eligible for voluntary layoff would be placed on voluntary layoff.

Sincerely,

John Ptolemy
Manager, Labor Relations

Letter #19

Reissued: October 25, 2019
(Original date 7/20/98)

Mr. Walt Smith
President
U.A.W., Local 677
2101 Mack Boulevard
Allentown, PA 18103

**Re: Sub-Contractor Coverage on Saturdays, Sundays, and Holidays and
Contractor/Vendor Coverage Monday through Friday**

Dear Mr. Smith:

During the 1998 negotiations, the Company and the Union agreed to the following:

Sub-Contractor Coverage Saturday, Sunday, and Holidays

No Facilities sub-contractor will work in the Macungie plant on Saturdays, Sundays, or holidays without the presence of a ratio of employees from the Facilities skilled trades department. The ratio will be one (1) Mack employee for every two (2) sub-contracting employees. The employees scheduled to work will be in the classification of the type of work being performed by the sub-contractor, i.e., electrical or mechanical. It is understood that management will assign the employees work within their classification.

Contractor/Vendor Coverage Monday through Friday

Skilled trades employees will not be assigned to work with contractors/vendors Mondays through Fridays unless as a result of a sub-contracting meeting. Our employees will then perform portions of this project. In addition, coverage will be assigned when contractors/vendors perform warranty work that will provide educational benefit to skilled trades employees, e.g., lift trucks, hoists, and new machinery.

Sincerely,

John Ptolemy
Manager, Labor Relations

Letter #20

Reissued: October 25, 2019
(Original date 7/20/98)

Mr. Walt Smith
President
U.A.W., Local 677
2101 Mack Boulevard
Allentown, PA 18103

Re: Skilled Trades - Facilities Department Balancing Third Shift Overtime

Dear Mr. Smith:

Although there is no contractual obligation to do so, the Company will make a conscientious effort based on production demands and preventive maintenance schedules to balance overtime hours between the shift in an attempt to provide overtime opportunity for third shift Facility Department employees.

Sincerely,

John Ptolemy
Manager, Labor Relations

Letter #21

Reissued: October 25, 2019
(Original date 7/20/98)

Mr. Walt Smith
President
U.A.W., Local 677
2101 Mack Boulevard
Allentown, PA 18103

Re: Clean Up of Small Spills

Dear Mr. Smith:

In an attempt to promote safety, it is agreed that one 18-inch absorbent pad or wipes can be used by employees to clean up small spills on the shop floor.

Sincerely,

John Ptolemy
Manager, Labor Relatio

Letter #22

Reissued: October 25, 2019
(Original date 7/20/98)

Mr. Walt Smith
President
U.A.W., Local 677
2101 Mack Boulevard
Allentown, PA 18103

Re: Facilities Department - Rules for Overtime

Dear Mr. Smith:

Overtime: Employees who are on a scheduled forty (40) hours of vacation will not be eligible for overtime during that week until their return to work.

Exception to this rule shall occur under the following conditions:

If the employee is first on the overtime list for Early Start on the Monday for which the employee will return to work or the employee is in line for Early Start on the Monday for which the employee will return to work where more than one employee is scheduled, a phone call shall be made to offer the employee the Early Start.

If an employee is on prior approved absence or "called in" sick for Thursday or Friday when overtime is scheduled for Saturday or Sunday and the employee is "in line" to work, the Facilities Department will make a reasonable effort to contact the employee by phone to offer the overtime.

Early Start: The "overtime week" shall be from 07:00 Monday until 06:59 the following Monday. Any early start shall be offered to the first employee on the overtime list and continuing with the list rotation until the overtime requirement is satisfied.

Overtime hours shall be recalculated and charged at the conclusion of each week for the upcoming week, including Mondays that are holidays. The exception to this application is for required "skills" that may be necessary.

Apprentice. Employees: The previous application that no Apprentice employee is permitted to work alone has been mutually agreed upon to be rescinded. Apprentice. employees shall be permitted to work alone, however, necessary skills may be a determining factor for the overtime. The need for a necessary skill will be first discussed (if possible) with the proper union representative.

The above understanding does not supersede letter of understanding 95-1.

Sincerely,

John Ptolemy
Manager, Labor Relations

Letter #23

Reissued: October 25, 2019
(Original date 7/20/98)

Mr. Walt Smith
President
U.A.W., Local 677
2101 Mack Boulevard
Allentown, PA 18103

**Re: Representatives - Community Services,
Insurance, and Pension**

Dear Mr. Smith:

The parties agree that the Local 677 President will appoint one (1) individual from any of the Local 677 locations to serve as community service representative, insurance representative and pension representative. The appointed representative will serve all Local 677 locations and will serve full-time in these capacities. The Company will not be responsible for any required overtime.

Sincerely,

John Ptolemy
Manager, Labor Relations

Letter #24

Reissued: October 25, 2019
(Original date 10/2/04)

Mr. Walt Smith
President
U.A.W., Local 677
2101 Mack Boulevard
Allentown, PA 18103

Re: Overtime Breaks

Dear Mr. Smith:

During the 2001 Local contract negotiations, the parties discussed the desire to clarify the breaks during overtime. The Company and the Union agree that during the overtime hours worked, either three (3) minutes for one-half hour or five (5) minutes for an hour will be accumulated to provide a break at a reasonable time during the overtime hours.

Sincerely,

John Ptolemy
Manager, Labor Relation

Letter #25

Reissued October 25, 2019
(Original date June 1, 2009)

Mr. Walt Smith
President
U.A.W., Local 677
2101 Mack Boulevard
Allentown, PA 18103

Re: Second Shift Representation

Dear Mr. Smith:

1. The parties agree that one (1) Committee person and one (1) Alternate Committeeperson per Article 3, Section 4(b) will be identified as per Article 3, Section 1, and will commence representation duties simultaneous to the start of training of the second shift personnel.
2. A second Committeeperson and Alternate will be provided with the start of a second chassis and cab line.
3. The maximum representation for full second shift production will be two (2) Committeepersons and two (2) Alternate Committeepersons.
4. Until elections are held for any second shift Committeeperson, the Company will provide forty (40) hours at the second shift rate to be used by any Committeepersons from Districts 1, 2 or 3. These hours would be used only for second shift representation and would be in addition to the respective Committeeperson's regular and overtime hours from the first shift. The Union will notify the Company as far in advance as possible as to which Committeeperson from Districts 1, 2 or 3 will be representing the second shift. The election for the second shift representatives will be held as soon as possible and in keeping with the Union's election policies and rules.
5. If production ceases on one truck line and one cab line, one (1) Committeeperson and one (1) Alternate Committeeperson will be released. The remaining second shift Committeeperson and alternate Committeeperson will remain until such time that there is no longer any assembly production personnel on second shift.

6. Districts 4, 5 and 6 will continue to represent their second shift constituents until such time that a second Committeeperson is elected.

Sincerely,

John Ptolemy
Manager, Labor Relations

Letter #26

Reissued: October 25, 2019
(Original Date October 2, 2012)

Mr. Walt Smith
President
U.A.W., Local 677
2101 Mack Boulevard
Allentown, PA 18103

Re: Overtime Canvass Process

Dear Mr. Smith:

During these negotiations Management and the Union talked about the continued costly issues with the overtime canvass process. To resolve this issue the Parties agreed that prior to a canvass the Business Team leader will contact the Committeeperson or the Alternate, in the Committeepersons absence, and they will mutually agree as to the starting point of the canvass and the order of employees to be canvassed. If the Committeeperson is consulted before the overtime canvass is conducted and concurs with the employees to be canvassed for overtime then if an error occurs there will be no liability. If this procedure is followed and an error occurs in the overtime canvass, the affected employee(s) will be the first to be offered overtime during the next overtime canvass. If an error occurs in the overtime canvass as a result of the Business Team Leader failing to consult or disregarding the Committeeperson's assistance, it will result in a monetary liability for the Company with the affected employee(s) being compensated for the duration of the missed overtime opportunity. Furthermore, it shall be the area Supervisor's responsibility to notify the Business Team Leader and the appropriate Committeeperson does not get back with the Business Team Leader there will be no liability and the affected employee(s) will be the first to be offered overtime during the next overtime canvass.

Sincerely,

John Ptolemy
Manager, Labor Relations

Letter #27

Reissued: October 25, 2019
(Original Date October 2, 2012)

Mr. Walt Smith
President
U.A.W., Local 677
2101 Mack Boulevard
Allentown, PA 18103

**Re: Lease and Rental Company Equipment Repairs and Preventative
Maintenance.**

Dear Mr. Smith:

During the course of the 2012 Local Wage and Seniority Agreement negotiations the Parties had discussions concerning leased and rental equipment. It was agreed that rental and lease agreements include preventative maintenance and repair as part of the contracts. As such the Parties agreed to enclose an area where this work would be completed in the Shop by the outside technicians. The enclosure may be curtain or wall but a barrier to designate and enclose the working area.

Sincerely,

John Ptolemy
Manager, Labor Relations

Letter #28

Reissued: October 25, 2019
(Original Date October 2, 2012)

Mr. Walt Smith
President
U.A.W., Local 677
2101 Mack Boulevard
Allentown, PA 18103

Re: Torque Inspection

Dear Mr. Smith:

During the 2012 LWSA negotiations there was a discussion between the Parties on how to resolve an issue that occurs when the torque inspector is not present at work which is a key quality position. The Parties agreed to post for two (2) back-up positions on each production shift to ensure that there will be a qualified employee capable of performing the role of torque inspector if that employee is not present at work. Those senior employees who indicated through the posting an interest to be backups will be trained in order to be qualified as a replacement. They will function in seniority order during the absence of the torque inspector. The Parties further agree to jointly set up a training program to ensure that there will always be at least two (2) qualified backups.

The posting for the torque inspector backup will be posted for five (5) work days beginning on a Wednesday and will be made available for bid only to those employees in Department 223 classified as Production Technician.

Sincerely,

John Ptolemy
Manager, Labor Relations

Letter #29

Reissued: October 25, 2019
(Original Date October 2, 2009)

Mr. Walt Smith
President
U.A.W., Local 677
2101 Mack Boulevard
Allentown, PA 18103

Re: Maintenance Understanding

Dear Mr. Smith:

During the course of the 2007 Negotiations, the Parties held discussions regarding the performance of skilled trades/ maintenance/ general maintenance work at Macungie and its impact on the Company's competitive position. To this end, the Parties have developed the following list. Work functions contained on this list shall not be subject to the provisions of Article 27, Section 78 of the Master Agreement. The Company shall inform the union in writing when work on this list is to be performed by an external party.

- All grounds/lawn maintenance including grass cutting and trimming, tree trimming/removal, landscaping, rut repair, seeding, fertilizing, etc.
- Offices, dispensary, gift shop, wellness center & guard house cleaning/trash removal/floor waxing
- Refurbishing/constructing restrooms etc. including any dry wall work
- Snow removal performed with a 8-foot (approximate) or larger plow
- Concrete cutting, forming, & pouring
- Outside fencing repairs/installations
- Building construction & demolition
- Repairs to the roof
- Window replacement
- All outside underground utility work (current practice continues for inside work)
- Major project work including but not limited to spray booth construction/installation, spray booth retrofit/modification, new crane system installation/retrofit, new sprinkler/fire suppression system installations – these projects should be considered blocks of work where the contractor is responsible for all aspects of the project so all liability falls on them (Main power, air & water hook-ups will be performed by BU)
- Any work requiring special government or regulatory permitting (examples include welding on pressure vessels or natural gas piping, installation of large storage tanks, tank cleaning) (excludes confined space entry permitting and hot work permitting)

- Blacktop repair/replacement (we do not consider this their work now)
- Concrete floor stripping/sealing (we do not consider this their work now)
- All excavating requiring equipment (we do not consider this their work now)
- Roof replacement (we do not consider this their work now)
- Installation/repair of electrical systems above 480 volts 60 amps
- Installations requiring certified installers

Sincerely,

John Ptolemy
Manager, Labor Relations

**NEW APPENDIX A
MACUNGIE OPERATIONS**

Base rate wage increase Macungie Shop, EBU, and OBU

- Following the ratification of the Agreement, a one-time base rate increase of **3%** will be paid to all B.U. employees covered by this agreement.
- During the second year of this Agreement, all B.U. employees will receive a **1%** general wage increase effective October 1, 2020
- During the third year of this Agreement, all B.U. employees will receive a **1%** general wage increase effective October 1, 2021
- During the fourth year of this Agreement, all B.U. employees will receive a **1%** general wage increase effective October 1, 2022

**NEW APPENDIX A
MACUNGIE OPERATIONS**

Full rate employees inclusive of COLA (.22 per hour)

Occupation Title Top Rate	Effective October 25, 2019				
	11/04/19	10/01/20	10/01/21	10/01/22	10/01/23
Production Technician	\$28.71	\$29.00	\$29.29	\$29.58	\$29.88
Production Technician – L/O Group	\$28.86	\$29.15	\$29.44	\$29.73	\$30.03
Production Technician – Flex	\$29.74	\$30.04	\$30.34	\$30.64	\$30.95
Production Technician - Team Leader	\$30.77	\$31.08	\$31.39	\$31.70	\$32.02
Methods Lab/Line Tech	\$30.77	\$31.08	\$31.39	\$31.70	\$32.02
Production Tech VEH2-Frame Rail	\$29.51	\$29.81	\$30.10	\$30.40	\$30.71
VEH2 Frame Rail Layout	\$28.86	\$29.15	\$29.44	\$29.73	\$30.03
Welder/Frame Tech Combination	\$29.58	\$29.88	\$30.17	\$30.48	\$30.78
Production Technician/Final	\$28.20	\$28.48	\$28.77	\$29.05	\$29.35
Option Center Technician	\$28.74	\$29.03	\$29.32	\$29.61	\$29.91
Option Center Tech/Combination Welder	\$28.81	\$29.10	\$29.39	\$29.68	\$29.98
Spray Painter/Group - OT	\$29.77	\$30.07	\$30.37	\$30.67	\$30.98
Utility Welder/Group	\$28.81	\$29.10	\$29.39	\$29.68	\$29.98
Sheet Metal Finisher/Group	\$28.65	\$28.94	\$29.23	\$29.52	\$29.81
Combilift operator	\$28.45	\$28.73	\$29.02	\$29.31	\$29.61
Material Tech Flex	\$28.39	\$28.67	\$28.96	\$29.25	\$29.54
Material Technician	\$27.39	\$27.66	\$27.94	\$28.22	\$28.50
Material Technician - Team Leader	\$29.48	\$29.77	\$30.07	\$30.37	\$30.68
Jockey Driver	\$28.45	\$28.73	\$29.02	\$29.31	\$29.61
CKD Tech	\$27.76	\$28.04	\$28.32	\$28.60	\$28.89
Material - LVLC	\$27.39	\$27.66	\$27.94	\$28.22	\$28.50
Material Coordinator - LVLC	\$28.45	\$28.73	\$29.02	\$29.31	\$29.61
Material Tech Flex - LVLC	\$28.39	\$28.67	\$28.96	\$29.25	\$29.54
Material Tech - Inspector	\$28.71	\$29.00	\$29.29	\$29.58	\$29.88
Training Coordinator	\$30.77	\$31.08	\$31.39	\$31.70	\$32.02
Electrical Journeyman	\$30.87	\$31.18	\$31.49	\$31.81	\$32.12
Mechanical Journeyman	\$30.87	\$31.18	\$31.49	\$31.81	\$32.12
<i>Mechanical Employee-in- Training/Seniority</i>	\$30.28	\$30.58	\$30.89	\$31.20	\$31.51
Layout Machinist Journeyman	\$31.05	\$31.36	\$31.67	\$31.99	\$32.31
Tool Fixture Welder Journeyman	\$30.97	\$31.28	\$31.59	\$31.91	\$32.23
General Maintenance - 70%	\$19.24	\$19.43	\$19.63	\$19.82	\$20.02

APPENDIX B
MACUNGIE OPERATIONS

Legacy progression (bridged employees as of **October 25, 2019**). Employees hired before January 1, 2018. Rates not inclusive of COLA (.22 per hour) until reaching full rate.

Occupation Title	Effective October 25, 2019				
First Year of Service					
70%	11/04/19	10/01/20	10/01/21	10/01/22	10/01/23
Production Technician	\$20.10	\$20.30	\$20.50	\$20.71	\$20.92
Production Technician – L/O Group	\$20.20	\$20.40	\$20.61	\$20.81	\$21.02
Production Technician – Flex	\$20.82	\$21.03	\$21.24	\$21.45	\$21.67
Production Technician - Team Leader	\$21.54	\$21.76	\$21.97	\$22.19	\$22.41
Methods Lab/Line Tech	\$21.54	\$21.76	\$21.97	\$22.19	\$22.41
Production Tech VEH2-Frame Rail	\$20.66	\$20.87	\$21.08	\$21.29	\$21.50
VEH2 Frame Rail Layout	\$20.20	\$20.40	\$20.61	\$20.81	\$21.02
Welder/Frame Tech Combination	\$20.71	\$20.92	\$21.13	\$21.34	\$21.55
Production Technician/Final	\$19.75	\$19.95	\$20.15	\$20.35	\$20.55
Option Center Technician	\$20.12	\$20.32	\$20.52	\$20.73	\$20.94
Option Center Tech/Combination Welder	\$20.17	\$20.37	\$20.58	\$20.78	\$20.99
Spray Painter/Group - OT	\$20.85	\$21.06	\$21.27	\$21.48	\$21.70
Utility Welder/Group	\$20.17	\$20.37	\$20.58	\$20.78	\$20.99
Sheet Metal Finisher/Group	\$20.05	\$20.25	\$20.45	\$20.66	\$20.86
Combilift operator	\$19.92	\$20.12	\$20.32	\$20.52	\$20.73
Material Tech Flex	\$19.87	\$20.07	\$20.27	\$20.47	\$20.68
Material Technician	\$19.17	\$19.36	\$19.56	\$19.75	\$19.95
Material Technician - Team Leader	\$20.63	\$20.84	\$21.04	\$21.26	\$21.47
Jockey Driver	\$19.89	\$20.09	\$20.29	\$20.49	\$20.70
CKD Tech	\$19.43	\$19.62	\$19.82	\$20.02	\$20.22
Material - LVLC	\$19.17	\$19.36	\$19.56	\$19.75	\$19.95
Material Coordinator - LVLC	\$19.92	\$20.12	\$20.32	\$20.52	\$20.73
Material Tech Flex - LVLC	\$19.87	\$20.07	\$20.27	\$20.47	\$20.68
Material Tech - Inspector	\$20.10	\$20.30	\$20.50	\$20.71	\$20.92
Training Coordinator	\$21.54	\$21.76	\$21.97	\$22.19	\$22.41

APPENDIX B cont.
MACUNGIE OPERATIONS

Legacy progression (bridged employees as of **October 25, 2019**). **Employees hired before January 1, 2018**. Rates not inclusive of COLA (.22 per hour) until reaching full rate.

Occupation Title	Effective October 25, 2019				
Second Year of Service					
75%	11/04/19	10/01/20	10/01/21	10/01/22	10/01/23
Production Technician	\$21.53	\$21.75	\$21.96	\$22.18	\$22.40
Production Technician – L/O Group	\$21.65	\$21.87	\$22.09	\$22.31	\$22.53
Production Technician – Flex	\$22.30	\$22.52	\$22.75	\$22.98	\$23.21
Production Technician - Team Leader	\$23.07	\$23.30	\$23.53	\$23.77	\$24.01
Methods Lab/Line Tech	\$23.07	\$23.30	\$23.53	\$23.77	\$24.01
Production Tech VEH2-Frame Rail	\$22.13	\$22.35	\$22.57	\$22.80	\$23.03
VEH2 Frame Rail Layout	\$21.65	\$21.87	\$22.09	\$22.31	\$22.53
Welder/Frame Tech Combination	\$22.19	\$22.41	\$22.64	\$22.86	\$23.09
Production Technician/Final	\$21.16	\$21.37	\$21.59	\$21.80	\$22.02
Option Center Technician	\$21.56	\$21.78	\$21.99	\$22.21	\$22.44
Option Center Tech/Combination Welder	\$21.60	\$21.82	\$22.03	\$22.25	\$22.48
Spray Painter/Group - OT	\$22.33	\$22.55	\$22.78	\$23.01	\$23.24
Utility Welder/Group	\$21.61	\$21.83	\$22.04	\$22.26	\$22.49
Sheet Metal Finisher/Group	\$21.50	\$21.72	\$21.93	\$22.15	\$22.37
Combilift operator	\$21.33	\$21.54	\$21.76	\$21.98	\$22.20
Material Tech Flex	\$21.29	\$21.50	\$21.72	\$21.94	\$22.15
Material Technician	\$20.54	\$20.75	\$20.95	\$21.16	\$21.37
Material Technician - Team Leader	\$22.11	\$22.33	\$22.55	\$22.78	\$23.01
Jockey Driver	\$21.31	\$21.52	\$21.74	\$21.96	\$22.18
CKD Tech	\$20.82	\$21.03	\$21.24	\$21.45	\$21.67
Material - LVLC	\$20.54	\$20.75	\$20.95	\$21.16	\$21.37
Material Coordinator - LVLC	\$21.33	\$21.54	\$21.76	\$21.98	\$22.20
Material Tech Flex - LVLC	\$21.29	\$21.50	\$21.72	\$21.94	\$22.15
Material Tech - Inspector	\$21.53	\$21.75	\$21.96	\$22.18	\$22.40
Training Coordinator	\$23.07	\$23.30	\$23.53	\$23.77	\$24.01

APPENDIX B cont.
MACUNGIE OPERATIONS

Legacy progression (bridged employees as of **October 25, 2019**). Employees hired before January 1, 2018. Rates not inclusive of COLA (.22 per hour) until reaching full rate.

Occupation Title	Effective October 25, 2019				
Third Year of Service					
80%	11/04/19	10/01/20	10/01/21	10/01/22	10/01/23
Production Technician	\$22.97	\$23.20	\$23.43	\$23.67	\$23.90
Production Technician – L/O Group	\$23.08	\$23.31	\$23.54	\$23.78	\$24.02
Production Technician – Flex	\$23.79	\$24.03	\$24.27	\$24.51	\$24.76
Production Technician - Team Leader	\$24.62	\$24.87	\$25.11	\$25.37	\$25.62
Methods Lab/Line Tech	\$24.62	\$24.87	\$25.11	\$25.37	\$25.62
Production Tech VEH2-Frame Rail	\$23.61	\$23.85	\$24.08	\$24.33	\$24.57
VEH2 Frame Rail Layout	\$23.08	\$23.31	\$23.54	\$23.78	\$24.02
Welder/Frame Tech Combination	\$23.66	\$23.90	\$24.14	\$24.38	\$24.62
Production Technician/Final	\$22.56	\$22.79	\$23.01	\$23.24	\$23.48
Option Center Technician	\$22.99	\$23.22	\$23.45	\$23.69	\$23.92
Option Center Tech/Combination Welder	\$23.04	\$23.27	\$23.50	\$23.74	\$23.98
Spray Painter/Group - OT	\$23.81	\$24.05	\$24.29	\$24.53	\$24.78
Utility Welder/Group	\$23.04	\$23.27	\$23.50	\$23.74	\$23.98
Sheet Metal Finisher/Group	\$22.93	\$23.16	\$23.39	\$23.62	\$23.86
Combilift operator	\$22.76	\$22.99	\$23.22	\$23.45	\$23.68
Material Tech Flex	\$22.71	\$22.94	\$23.17	\$23.40	\$23.63
Material Technician	\$21.91	\$22.13	\$22.35	\$22.57	\$22.80
Material Technician - Team Leader	\$23.59	\$23.83	\$24.06	\$24.30	\$24.55
Jockey Driver	\$22.73	\$22.96	\$23.19	\$23.42	\$23.65
CKD Tech	\$22.21	\$22.43	\$22.66	\$22.88	\$23.11
Material - LVLC	\$21.91	\$22.13	\$22.35	\$22.57	\$22.80
Material Coordinator - LVLC	\$22.76	\$22.99	\$23.22	\$23.45	\$23.68
Material Tech Flex - LVLC	\$22.71	\$22.94	\$23.17	\$23.40	\$23.63
Material Tech - Inspector	\$22.97	\$23.20	\$23.43	\$23.67	\$23.90
Training Coordinator	\$24.62	\$24.87	\$25.11	\$25.37	\$25.62

APPENDIX B cont.
MACUNGIE OPERATIONS

Legacy progression (bridged employees as of **October 25, 2019**). **Employees hired before January 1, 2018**. Rates not inclusive of COLA (.22 per hour) until reaching full rate.

Occupation Title	Effective October 25, 2019				
Fourth Year of Service					
85%	11/04/19	10/01/20	10/01/21	10/01/22	10/01/23
Production Technician	\$24.40	\$24.64	\$24.89	\$25.14	\$25.39
Production Technician – L/O Group	\$24.53	\$24.78	\$25.02	\$25.27	\$25.53
Production Technician – Flex	\$25.28	\$25.53	\$25.79	\$26.05	\$26.31
Production Technician - Team Leader	\$26.15	\$26.41	\$26.68	\$26.94	\$27.21
Methods Lab/Line Tech	\$26.15	\$26.41	\$26.68	\$26.94	\$27.21
Production Tech VEH2-Frame Rail	\$25.08	\$25.33	\$25.58	\$25.84	\$26.10
VEH2 Frame Rail Layout	\$24.53	\$24.78	\$25.02	\$25.27	\$25.53
Welder/Frame Tech Combination	\$25.14	\$25.39	\$25.65	\$25.90	\$26.16
Production Technician/Final	\$23.97	\$24.21	\$24.45	\$24.70	\$24.94
Option Center Technician	\$24.43	\$24.67	\$24.92	\$25.17	\$25.42
Option Center Tech/Combination Welder	\$24.48	\$24.72	\$24.97	\$25.22	\$25.47
Spray Painter/Group - OT	\$25.30	\$25.55	\$25.81	\$26.07	\$26.33
Utility Welder/Group	\$24.48	\$24.72	\$24.97	\$25.22	\$25.47
Sheet Metal Finisher/Group	\$24.36	\$24.60	\$24.85	\$25.10	\$25.35
Comblift operator	\$24.18	\$24.42	\$24.67	\$24.91	\$25.16
Material Tech Flex	\$24.13	\$24.37	\$24.62	\$24.86	\$25.11
Material Technician	\$23.28	\$23.51	\$23.75	\$23.99	\$24.23
Material Technician - Team Leader	\$25.06	\$25.31	\$25.56	\$25.82	\$26.08
Jockey Driver	\$24.15	\$24.39	\$24.64	\$24.88	\$25.13
CKD Tech	\$23.60	\$23.84	\$24.07	\$24.32	\$24.56
Material - LVLC	\$23.28	\$23.51	\$23.75	\$23.99	\$24.23
Material Coordinator - LVLC	\$24.18	\$24.42	\$24.67	\$24.91	\$25.16
Material Tech Flex - LVLC	\$25.39	\$25.64	\$25.90	\$26.16	\$26.42
Material Tech - Inspector	\$24.40	\$24.64	\$24.89	\$25.14	\$25.39
Training Coordinator	\$26.15	\$26.41	\$26.68	\$26.94	\$27.21

APPENDIX B cont.
MACUNGIE OPERATIONS

Legacy progression (bridged employees as of **October 25, 2019**). **Employees hired before January 1, 2018**. Rates not inclusive of COLA (.22 per hour) until reaching full rate.

Occupation Title	Effective October 25, 2019				
Fifth Year of Service					
90%	11/04/19	10/01/20	10/01/21	10/01/22	10/01/23
Production Technician	\$25.83	\$26.09	\$26.35	\$26.61	\$26.88
Production Technician – L/O Group	\$25.98	\$26.24	\$26.50	\$26.77	\$27.03
Production Technician – Flex	\$26.76	\$27.03	\$27.30	\$27.57	\$27.85
Production Technician - Team Leader	\$27.69	\$27.97	\$28.25	\$28.53	\$28.81
Methods Lab/Line Tech	\$27.69	\$27.97	\$28.25	\$28.53	\$28.81
Production Tech VEH2-Frame Rail	\$26.56	\$26.83	\$27.09	\$27.36	\$27.64
VEH2 Frame Rail Layout	\$25.98	\$26.24	\$26.50	\$26.77	\$27.03
Welder/Frame Tech Combination	\$26.62	\$26.89	\$27.16	\$27.43	\$27.70
Production Technician/Final	\$25.38	\$25.63	\$25.89	\$26.15	\$26.41
Option Center Technician	\$25.86	\$26.12	\$26.38	\$26.64	\$26.91
Option Center Tech/Combination Welder	\$25.93	\$26.19	\$26.45	\$26.72	\$26.98
Spray Painter/Group - OT	\$26.79	\$27.06	\$27.33	\$27.60	\$27.88
Utility Welder/Group	\$25.93	\$26.19	\$26.45	\$26.72	\$26.98
Sheet Metal Finisher/Group	\$25.79	\$26.05	\$26.31	\$26.57	\$26.84
Combilift operator	\$25.62	\$25.88	\$26.13	\$26.40	\$26.66
Material Tech Flex	\$25.55	\$25.81	\$26.06	\$26.32	\$26.59
Material Technician	\$24.65	\$24.90	\$25.15	\$25.40	\$25.65
Material Technician - Team Leader	\$26.53	\$26.80	\$27.06	\$27.33	\$27.61
Jockey Driver	\$25.57	\$25.83	\$26.08	\$26.34	\$26.61
CKD Tech	\$24.98	\$25.23	\$25.48	\$25.74	\$25.99
Material - LVLC	\$24.65	\$24.90	\$25.15	\$25.40	\$25.65
Material Coordinator - LVLC	\$25.62	\$25.88	\$26.13	\$26.40	\$26.66
Material Tech Flex - LVLC	\$25.55	\$25.81	\$26.06	\$26.32	\$26.59
Material Tech - Inspector	\$25.83	\$26.09	\$26.35	\$26.61	\$26.88
Training Coordinator	\$27.69	\$27.97	\$28.25	\$28.53	\$28.81

APPENDIX B cont.
MACUNGIE OPERATIONS

Legacy progression (bridged employees as of **October 25, 2019**). **Employees hired before January 1, 2018**. Rates not inclusive of COLA (.22 per hour) until reaching full rate

Occupation Title	Effective October 25, 2019				
Sixth Year of Service					
95%	11/04/19	10/01/20	10/01/21	10/01/22	10/01/23
Production Technician	\$27.27	\$27.54	\$27.82	\$28.10	\$28.38
Production Technician – L/O Group	\$27.42	\$27.69	\$27.97	\$28.25	\$28.53
Production Technician – Flex	\$28.25	\$28.53	\$28.82	\$29.11	\$29.40
Production Technician - Team Leader	\$29.23	\$29.52	\$29.82	\$30.12	\$30.42
Methods Lab/Line Tech	\$29.23	\$29.52	\$29.82	\$30.12	\$30.42
Production Tech VEH2-Frame Rail	\$28.04	\$28.32	\$28.60	\$28.89	\$29.18
VEH2 Frame Rail Layout	\$27.42	\$27.69	\$27.97	\$28.25	\$28.53
Welder/Frame Tech Combination	\$28.10	\$28.38	\$28.66	\$28.95	\$29.24
Production Technician/Final	\$26.79	\$27.06	\$27.33	\$27.60	\$27.88
Option Center Technician	\$27.31	\$27.58	\$27.86	\$28.14	\$28.42
Option Center Tech/Combination Welder	\$27.37	\$27.64	\$27.92	\$28.20	\$28.48
Spray Painter/Group - OT	\$28.28	\$28.56	\$28.85	\$29.14	\$29.43
Utility Welder/Group	\$27.37	\$27.64	\$27.92	\$28.20	\$28.48
Sheet Metal Finisher/Group	\$27.22	\$27.49	\$27.77	\$28.04	\$28.33
Combilift operator	\$27.03	\$27.30	\$27.57	\$27.85	\$28.13
Material Tech Flex	\$26.97	\$27.24	\$27.51	\$27.79	\$28.07
Material Technician	\$26.02	\$26.28	\$26.54	\$26.81	\$27.08
Material Technician - Team Leader	\$28.01	\$28.29	\$28.57	\$28.86	\$29.15
Jockey Driver	\$27.00	\$27.27	\$27.54	\$27.82	\$28.10
CKD Tech	\$26.37	\$26.63	\$26.90	\$27.17	\$27.44
Material - LVLC	\$26.02	\$26.28	\$26.54	\$26.81	\$27.08
Material Coordinator - LVLC	\$27.03	\$27.30	\$27.57	\$27.85	\$28.13
Material Tech Flex - LVLC	\$26.97	\$27.24	\$27.51	\$27.79	\$28.07
Material Tech - Inspector	\$27.27	\$27.54	\$27.82	\$28.10	\$28.38
Training Coordinator	\$29.23	\$29.52	\$29.82	\$30.12	\$30.42

APPENDIX C
MACUNGIE OPERATIONS

Employees hired after January 1, 2018 will follow this pay rate progression. Rates not inclusive of COLA (.22 per hour) until reaching full rate

Occupation Title	Effective October 25, 2019				
First Year of Service					
70%	11/04/19	10/01/20	10/01/21	10/01/22	10/01/23
Production Technician	\$20.10	\$20.30	\$20.50	\$20.71	\$20.92
Production Technician – L/O Group	\$20.20	\$20.40	\$20.61	\$20.81	\$21.02
Production Technician – Flex	\$20.82	\$21.03	\$21.24	\$21.45	\$21.67
Production Technician - Team Leader	\$21.54	\$21.76	\$21.97	\$22.19	\$22.41
Methods Lab/Line Tech	\$21.54	\$21.76	\$21.97	\$22.19	\$22.41
Production Tech VEH2-Frame Rail	\$20.66	\$20.87	\$21.08	\$21.29	\$21.50
VEH2 Frame Rail Layout	\$20.20	\$20.40	\$20.61	\$20.81	\$21.02
Welder/Frame Tech Combination	\$20.71	\$20.92	\$21.13	\$21.34	\$21.55
Production Technician/Final	\$19.75	\$19.95	\$20.15	\$20.35	\$20.55
Option Center Technician	\$20.12	\$20.32	\$20.52	\$20.73	\$20.94
Option Center Tech/Combination Welder	\$20.17	\$20.37	\$20.58	\$20.78	\$20.99
Spray Painter/Group - OT	\$20.85	\$21.06	\$21.27	\$21.48	\$21.70
Utility Welder/Group	\$20.17	\$20.37	\$20.58	\$20.78	\$20.99
Sheet Metal Finisher/Group	\$20.05	\$20.25	\$20.45	\$20.66	\$20.86
Combilift operator	\$19.92	\$20.12	\$20.32	\$20.52	\$20.73
Material Tech Flex	\$19.87	\$20.07	\$20.27	\$20.47	\$20.68
Material Technician	\$19.17	\$19.36	\$19.56	\$19.75	\$19.95
Material Technician - Team Leader	\$20.63	\$20.84	\$21.04	\$21.26	\$21.47
Jockey Driver	\$19.89	\$20.09	\$20.29	\$20.49	\$20.70
CKD Tech	\$19.43	\$19.62	\$19.82	\$20.02	\$20.22
Material - LVLC	\$19.17	\$19.36	\$19.56	\$19.75	\$19.95
Material Coordinator - LVLC	\$19.92	\$20.12	\$20.32	\$20.52	\$20.73
Material Tech Flex - LVLC	\$19.87	\$20.07	\$20.27	\$20.47	\$20.68
Material Tech - Inspector	\$20.10	\$20.30	\$20.50	\$20.71	\$20.92
Training Coordinator	\$21.54	\$21.76	\$21.97	\$22.19	\$22.41

APPENDIX C cont.
MACUNGIE OPERATIONS

Employees hired after January 1, 2018 will follow this pay rate progression. Rates not inclusive of COLA (.22 per hour) until reaching full rate

Occupation Title	Effective October 25, 2019				
Second Year of Service					
71%	11/04/19	10/01/20	10/01/21	10/01/22	10/01/23
Production Technician	\$20.38	\$20.58	\$20.79	\$21.00	\$21.21
Production Technician – L/O Group	\$20.49	\$20.69	\$20.90	\$21.11	\$21.32
Production Technician – Flex	\$21.12	\$21.33	\$21.54	\$21.76	\$21.98
Production Technician - Team Leader	\$21.85	\$22.07	\$22.29	\$22.51	\$22.74
Methods Lab/Line Tech	\$21.85	\$22.07	\$22.29	\$22.51	\$22.74
Production Tech VEH2-Frame Rail	\$20.95	\$21.16	\$21.37	\$21.58	\$21.80
VEH2 Frame Rail Layout	\$20.49	\$20.69	\$20.90	\$21.11	\$21.32
Welder/Frame Tech Combination	\$21.00	\$21.21	\$21.42	\$21.64	\$21.85
Production Technician/Final	\$20.02	\$20.22	\$20.42	\$20.63	\$20.83
Option Center Technician	\$20.40	\$20.60	\$20.81	\$21.02	\$21.23
Option Center Tech/Combination Welder	\$20.46	\$20.66	\$20.87	\$21.08	\$21.29
Spray Painter/Group - OT	\$21.12	\$21.33	\$21.54	\$21.76	\$21.98
Utility Welder/Group	\$20.46	\$20.66	\$20.87	\$21.08	\$21.29
Sheet Metal Finisher/Group	\$20.34	\$20.54	\$20.75	\$20.96	\$21.17
Combilift operator	\$20.18	\$20.38	\$20.59	\$20.79	\$21.00
Material Tech Flex	\$20.16	\$20.36	\$20.57	\$20.77	\$20.98
Material Technician	\$19.45	\$19.64	\$19.84	\$20.04	\$20.24
Material Technician - Team Leader	\$20.93	\$21.14	\$21.35	\$21.56	\$21.78
Jockey Driver	\$20.18	\$20.38	\$20.59	\$20.79	\$21.00
CKD Tech	\$19.70	\$19.90	\$20.10	\$20.30	\$20.50
Material - LVLC	\$19.45	\$19.64	\$19.84	\$20.04	\$20.24
Material Coordinator - LVLC	\$20.18	\$20.38	\$20.59	\$20.79	\$21.00
Material Tech Flex - LVLC	\$20.16	\$20.36	\$20.57	\$20.77	\$20.98
Material Tech - Inspector	\$20.38	\$20.58	\$20.79	\$21.00	\$21.21
Training Coordinator	\$21.85	\$22.07	\$22.29	\$22.51	\$22.74

APPENDIX C cont.
MACUNGIE OPERATIONS

Employees hired after January 1, 2018 will follow this pay rate progression. Rates not inclusive of COLA (.22 per hour) until reaching full rate

Occupation Title	Effective October 25, 2019				
Third Year of Service					
72%	11/04/19	10/01/20	10/01/21	10/01/22	10/01/23
Production Technician	\$20.67	\$20.88	\$21.09	\$21.30	\$21.51
Production Technician – L/O Group	\$20.78	\$20.99	\$21.20	\$21.41	\$21.62
Production Technician – Flex	\$21.41	\$21.62	\$21.84	\$22.06	\$22.28
Production Technician - Team Leader	\$22.16	\$22.38	\$22.61	\$22.83	\$23.06
Methods Lab/Line Tech	\$22.16	\$22.38	\$22.61	\$22.83	\$23.06
Production Tech VEH2-Frame Rail	\$21.25	\$21.46	\$21.68	\$21.89	\$22.11
VEH2 Frame Rail Layout	\$20.78	\$20.99	\$21.20	\$21.41	\$21.62
Welder/Frame Tech Combination	\$21.30	\$21.51	\$21.73	\$21.95	\$22.16
Production Technician/Final	\$20.30	\$20.50	\$20.71	\$20.92	\$21.12
Option Center Technician	\$20.69	\$20.90	\$21.11	\$21.32	\$21.53
Option Center Tech/Combination Welder	\$20.74	\$20.95	\$21.16	\$21.37	\$21.58
Spray Painter/Group - OT	\$21.41	\$21.62	\$21.84	\$22.06	\$22.28
Utility Welder/Group	\$20.74	\$20.95	\$21.16	\$21.37	\$21.58
Sheet Metal Finisher/Group	\$20.63	\$20.84	\$21.04	\$21.26	\$21.47
Combilift operator	\$20.46	\$20.66	\$20.87	\$21.08	\$21.29
Material Tech Flex	\$20.44	\$20.64	\$20.85	\$21.06	\$21.27
Material Technician	\$19.71	\$19.91	\$20.11	\$20.31	\$20.51
Material Technician - Team Leader	\$21.23	\$21.44	\$21.66	\$21.87	\$22.09
Jockey Driver	\$20.46	\$20.66	\$20.87	\$21.08	\$21.29
CKD Tech	\$19.98	\$20.18	\$20.38	\$20.59	\$20.79
Material - LVLC	\$19.71	\$19.91	\$20.11	\$20.31	\$20.51
Material Coordinator - LVLC	\$20.46	\$20.66	\$20.87	\$21.08	\$21.29
Material Tech Flex - LVLC	\$20.44	\$20.64	\$20.85	\$21.06	\$21.27
Material Tech - Inspector	\$20.67	\$20.88	\$21.09	\$21.30	\$21.51
Training Coordinator	\$22.16	\$22.38	\$22.61	\$22.83	\$23.06

APPENDIX C cont.
MACUNGIE OPERATIONS

Employees hired after January 1, 2018 will follow this pay rate progression. Rates not inclusive of COLA (.22 per hour) until reaching full rate

Occupation Title	Effective October 25, 2019				
Fourth Year of Service					
74%	11/04/19	10/01/20	10/01/21	10/01/22	10/01/23
Production Technician	\$21.24	\$21.45	\$21.67	\$21.88	\$22.10
Production Technician – L/O Group	\$21.35	\$21.56	\$21.78	\$22.00	\$22.22
Production Technician – Flex	\$22.00	\$22.22	\$22.44	\$22.67	\$22.89
Production Technician - Team Leader	\$22.76	\$22.99	\$23.22	\$23.45	\$23.68
Methods Lab/Line Tech	\$22.76	\$22.99	\$23.22	\$23.45	\$23.68
Production Tech VEH2-Frame Rail	\$21.84	\$22.06	\$22.28	\$22.50	\$22.73
VEH2 Frame Rail Layout	\$21.35	\$21.56	\$21.78	\$22.00	\$22.22
Welder/Frame Tech Combination	\$21.89	\$22.11	\$22.33	\$22.55	\$22.78
Production Technician/Final	\$20.87	\$21.08	\$21.29	\$21.50	\$21.72
Option Center Technician	\$21.27	\$21.48	\$21.70	\$21.91	\$22.13
Option Center Tech/Combination Welder	\$21.31	\$21.52	\$21.74	\$21.96	\$22.18
Spray Painter/Group - OT	\$22.00	\$22.22	\$22.44	\$22.67	\$22.89
Utility Welder/Group	\$21.31	\$21.52	\$21.74	\$21.96	\$22.18
Sheet Metal Finisher/Group	\$21.21	\$21.42	\$21.64	\$21.85	\$22.07
Combilift operator	\$21.03	\$21.24	\$21.45	\$21.67	\$21.88
Material Tech Flex	\$21.01	\$21.22	\$21.43	\$21.65	\$21.86
Material Technician	\$20.27	\$20.47	\$20.68	\$20.88	\$21.09
Material Technician - Team Leader	\$21.82	\$22.04	\$22.26	\$22.48	\$22.71
Jockey Driver	\$21.03	\$21.24	\$21.45	\$21.67	\$21.88
CKD Tech	\$20.54	\$20.75	\$20.95	\$21.16	\$21.37
Material - LVLC	\$20.27	\$20.47	\$20.68	\$20.88	\$21.09
Material Coordinator - LVLC	\$21.03	\$21.24	\$21.45	\$21.67	\$21.88
Material Tech Flex - LVLC	\$21.01	\$21.22	\$21.43	\$21.65	\$21.86
Material Tech - Inspector	\$21.24	\$21.45	\$21.67	\$21.88	\$22.10
Training Coordinator	\$22.76	\$22.99	\$23.22	\$23.45	\$23.68

APPENDIX C cont.
MACUNGIE OPERATIONS

Employees hired after January 1, 2018 will follow this pay rate progression. Rates not inclusive of COLA (.22 per hour) until reaching full rate

Occupation Title	Effective October 25, 2019				
Fifth Year of Service					
76%	11/04/19	10/01/20	10/01/21	10/01/22	10/01/23
Production Technician	\$21.82	\$22.04	\$22.26	\$22.48	\$22.71
Production Technician – L/O Group	\$21.93	\$22.15	\$22.37	\$22.59	\$22.82
Production Technician – Flex	\$22.60	\$22.83	\$23.05	\$23.28	\$23.52
Production Technician - Team Leader	\$23.38	\$23.61	\$23.85	\$24.09	\$24.33
Methods Lab/Line Tech	\$23.38	\$23.61	\$23.85	\$24.09	\$24.33
Production Tech VEH2-Frame Rail	\$22.42	\$22.64	\$22.87	\$23.10	\$23.33
VEH2 Frame Rail Layout	\$21.93	\$22.15	\$22.37	\$22.59	\$22.82
Welder/Frame Tech Combination	\$22.48	\$22.70	\$22.93	\$23.16	\$23.39
Production Technician/Final	\$21.43	\$21.64	\$21.86	\$22.08	\$22.30
Option Center Technician	\$21.84	\$22.06	\$22.28	\$22.50	\$22.73
Option Center Tech/Combination Welder	\$21.89	\$22.11	\$22.33	\$22.55	\$22.78
Spray Painter/Group - OT	\$22.60	\$22.83	\$23.05	\$23.28	\$23.52
Utility Welder/Group	\$21.89	\$22.11	\$22.33	\$22.55	\$22.78
Sheet Metal Finisher/Group	\$21.77	\$21.99	\$22.21	\$22.43	\$22.65
Combilift operator	\$21.60	\$21.82	\$22.03	\$22.25	\$22.48
Material Tech Flex	\$21.58	\$21.80	\$22.01	\$22.23	\$22.46
Material Technician	\$20.82	\$21.03	\$21.24	\$21.45	\$21.67
Material Technician - Team Leader	\$22.40	\$22.62	\$22.85	\$23.08	\$23.31
Jockey Driver	\$21.60	\$21.82	\$22.03	\$22.25	\$22.48
CKD Tech	\$21.09	\$21.30	\$21.51	\$21.73	\$21.95
Material - LVLC	\$20.82	\$21.03	\$21.24	\$21.45	\$21.67
Material Coordinator - LVLC	\$21.60	\$21.82	\$22.03	\$22.25	\$22.48
Material Tech Flex - LVLC	\$21.58	\$21.80	\$22.01	\$22.23	\$22.46
Material Tech - Inspector	\$21.82	\$22.04	\$22.26	\$22.48	\$22.71
Training Coordinator	\$23.38	\$23.61	\$23.85	\$24.09	\$24.33

APPENDIX C cont.
MACUNGIE OPERATIONS

Employees hired after January 1, 2018 will follow this pay rate progression. Rates not inclusive of COLA (.22 per hour) until reaching full rate

Occupation Title Sixth Year of Service 79%	Effective October 25, 2019				
	11/04/19	10/01/20	10/01/21	10/01/22	10/01/23
Production Technician	\$22.68	\$22.91	\$23.14	\$23.37	\$23.60
Production Technician – L/O Group	\$22.79	\$23.02	\$23.25	\$23.48	\$23.72
Production Technician – Flex	\$23.49	\$23.72	\$23.96	\$24.20	\$24.44
Production Technician - Team Leader	\$24.31	\$24.55	\$24.80	\$25.05	\$25.30
Methods Lab/Line Tech	\$24.31	\$24.55	\$24.80	\$25.05	\$25.30
Production Tech VEH2-Frame Rail	\$23.31	\$23.54	\$23.78	\$24.02	\$24.26
VEH2 Frame Rail Layout	\$22.79	\$23.02	\$23.25	\$23.48	\$23.72
Welder/Frame Tech Combination	\$23.37	\$23.60	\$23.84	\$24.08	\$24.32
Production Technician/Final	\$22.28	\$22.50	\$22.73	\$22.96	\$23.18
Option Center Technician	\$22.70	\$22.93	\$23.16	\$23.39	\$23.62
Option Center Tech/Combination Welder	\$22.75	\$22.98	\$23.21	\$23.44	\$23.67
Spray Painter/Group - OT	\$23.49	\$23.72	\$23.96	\$24.20	\$24.44
Utility Welder/Group	\$22.75	\$22.98	\$23.21	\$23.44	\$23.67
Sheet Metal Finisher/Group	\$22.64	\$22.87	\$23.10	\$23.33	\$23.56
Combilift operator	\$22.45	\$22.67	\$22.90	\$23.13	\$23.36
Material Tech Flex	\$22.43	\$22.65	\$22.88	\$23.11	\$23.34
Material Technician	\$21.64	\$21.86	\$22.07	\$22.30	\$22.52
Material Technician - Team Leader	\$23.29	\$23.52	\$23.76	\$24.00	\$24.24
Jockey Driver	\$22.45	\$22.67	\$22.90	\$23.13	\$23.36
CKD Tech	\$21.93	\$22.15	\$22.37	\$22.59	\$22.82
Material - LVLC	\$21.64	\$21.86	\$22.07	\$22.30	\$22.52
Material Coordinator - LVLC	\$22.45	\$22.67	\$22.90	\$23.13	\$23.36
Material Tech Flex - LVLC	\$22.43	\$22.65	\$22.88	\$23.11	\$23.34
Material Tech - Inspector	\$22.68	\$22.91	\$23.14	\$23.37	\$23.60
Training Coordinator	\$24.31	\$24.55	\$24.80	\$25.05	\$25.30

APPENDIX D
MACUNGIE OPERATIONS

The below wage rates shall be applicable for all employees hired before or after October 25, 2019. The rates are based on the provisions set forth in Article 16, Sections 56 (f) and 58 (c) of the Master Agreement.

APPRENTICE RATES EFFECTIVE AS OF 10/25/2019				
Mechanical				
Hours	11/4/19	10/1/20	10/1/21	10/1/22
0-1000	<u>29.12</u>	<u>29.43</u>	<u>39.74</u>	<u>30.06</u>
1-2000	<u>29.37</u>	<u>29.68</u>	<u>29.99</u>	<u>30.31</u>
2-3000	<u>29.62</u>	<u>39.93</u>	<u>30.24</u>	<u>30.56</u>
3-4000	<u>29.87</u>	<u>30.18</u>	<u>30.49</u>	<u>30.81</u>
4-5000	<u>30.12</u>	<u>30.43</u>	<u>30.74</u>	<u>31.06</u>
5-6000	<u>30.37</u>	<u>30.68</u>	<u>30.99</u>	<u>31.31</u>
6-7000	<u>30.62</u>	<u>30.93</u>	<u>31.24</u>	<u>31.56</u>
7-8000	<u>30.87</u>	<u>31.18</u>	<u>31.49</u>	<u>31.81</u>

APPRENTICE RATES EFFECTIVE AS OF 10/25/2019				
Layout				
Hours	11/4/19	10/1/20	10/1/21	10/1/22
0-1000	<u>29.30</u>	<u>29.61</u>	<u>29.92</u>	<u>30.24</u>
1-2000	<u>29.55</u>	<u>39.86</u>	<u>30.17</u>	<u>30.49</u>
2-3000	<u>29.80</u>	<u>30.11</u>	<u>30.42</u>	<u>30.74</u>
3-4000	<u>30.05</u>	<u>30.36</u>	<u>30.67</u>	<u>30.99</u>
4-5000	<u>30.30</u>	<u>30.61</u>	<u>30.92</u>	<u>31.24</u>
5-6000	<u>30.55</u>	<u>30.86</u>	<u>31.17</u>	<u>31.49</u>
6-7000	<u>30.80</u>	<u>31.11</u>	<u>31.42</u>	<u>31.74</u>
7-8000	<u>31.05</u>	<u>31.36</u>	<u>31.67</u>	<u>31.99</u>

APPRENTICE RATES EFFECTIVE AS OF 10/25/2019				
Tool Fixture				
Hours	11/4/19	10/1/20	10/1/21	10/1/22
0-1000	<u>29.22</u>	<u>29.53</u>	<u>29.84</u>	<u>30.16</u>
1-2000	<u>29.47</u>	<u>29.78</u>	<u>30.09</u>	<u>30.41</u>
2-3000	<u>29.72</u>	<u>30.03</u>	<u>30.34</u>	<u>30.66</u>
3-4000	<u>29.97</u>	<u>30.28</u>	<u>30.59</u>	<u>30.91</u>
4-5000	<u>30.22</u>	<u>30.53</u>	<u>30.84</u>	<u>31.16</u>
5-6000	<u>30.47</u>	<u>30.78</u>	<u>31.09</u>	<u>31.41</u>
6-7000	<u>30.72</u>	<u>31.03</u>	<u>31.34</u>	<u>31.66</u>
7-8000	<u>30.97</u>	<u>31.28</u>	<u>31.59</u>	<u>31.91</u>

APPRENTICE RATES EFFECTIVE AS OF 10/25/2019				
Electrical				
Hours	11/4/19	10/1/20	10/1/21	10/1/22
0-1000	<u>29.12</u>	<u>29.43</u>	<u>39.74</u>	<u>30.06</u>
1-2000	<u>29.37</u>	<u>29.68</u>	<u>29.99</u>	<u>30.31</u>
2-3000	<u>29.62</u>	<u>39.93</u>	<u>30.24</u>	<u>30.56</u>
3-4000	<u>29.87</u>	<u>30.18</u>	<u>30.49</u>	<u>30.81</u>
4-5000	<u>30.12</u>	<u>30.43</u>	<u>30.74</u>	<u>31.06</u>
5-6000	<u>30.37</u>	<u>30.68</u>	<u>30.99</u>	<u>31.31</u>
6-7000	<u>30.62</u>	<u>30.93</u>	<u>31.24</u>	<u>31.56</u>
7-8000	<u>30.87</u>	<u>31.18</u>	<u>31.49</u>	<u>31.81</u>

2020 CALENDAR

JANUARY

S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
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FEBRUARY

S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29

MARCH

S	M	T	W	T	F	S
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22	23	24	25	26	27	28
29	30	31				

APRIL

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MAY

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24	25	26	27	28	29	30
31						

JUNE

S	M	T	W	T	F	S
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14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

JULY

S	M	T	W	T	F	S
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19	20	21	22	23	24	25
26	27	28	29	30	31	

AUGUST

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9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

SEPTEMBER

S	M	T	W	T	F	S
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6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

OCTOBER

S	M	T	W	T	F	S
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4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

NOVEMBER

S	M	T	W	T	F	S
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8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
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DECEMBER

S	M	T	W	T	F	S
	1	2	3	4	5	
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

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JA001223

2021 CALENDAR

JANUARY

S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

FEBRUARY

S	M	T	W	T	F	S
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7	8	9	10	11	12	13
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21	22	23	24	25	26	27
28						

MARCH

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APRIL

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MAY

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30	31					

JUNE

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JULY

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AUGUST

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SEPTEMBER

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OCTOBER

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31						

NOVEMBER

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DECEMBER

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12	13	14	15	16	17	18
19	20	21	22	23	24	25
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JA001224

2022 CALENDAR

JANUARY

S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
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30	31					

FEBRUARY

S	M	T	W	T	F	S
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MARCH

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APRIL

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MAY

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JUNE

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JULY

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AUGUST

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SEPTEMBER

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OCTOBER

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NOVEMBER

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DECEMBER

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JA001225

2023 CALENDAR

JANUARY

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FEBRUARY

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MARCH

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APRIL

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MAY

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JUNE

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JULY

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AUGUST

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SEPTEMBER

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OCTOBER

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NOVEMBER

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DECEMBER

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JA001226

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UAW - 000496

JA001227

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

COLLEEN BEHM,

Plaintiff,

v.

**MACK TRUCKS, INC. and
UNITED AUTO WORKERS LOCAL
677,**

Defendants.

CIVIL ACTION NO.: 21-02500

DECLARATION OF KAITLYN O'NEILL

I, Kaitlyn O'Neill, pursuant to 28 U.S.C. § 1746, declare as follows:

1. My name is Kaitlyn O'Neill and I am currently employed by Mack Trucks as a Human Resources Business Partner at the Macungie, Pennsylvania production facility. In my position, I am responsible for providing human resources support to more than 800 employees at Mack Trucks. I have personal knowledge of the information contained in this Declaration.

2. The hourly employees at the Mack Trucks production facility in Macungie are unionized. In my role, I am regularly required to work with representatives of UAW Local 677, which is the union at the Macungie facility.

3. Kevin Fronheiser is the Shop Chair for UAW Local 677. Mr. Fronheiser is employed by Mack Trucks, but he does not currently perform any job duties outside of his responsibilities on behalf of the union. Mr. Fronheiser is not a member of management at Mack Trucks.

4. Cruz Rivera is a Union Representative for UAW Local 677. Mr. Rivera is employed by Mack Trucks, but he does not currently perform any job duties outside of his responsibilities on behalf of the union. Mr. Rivera is not a member of management at Mack Trucks.

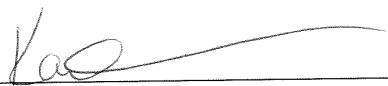
5. When Colleen Behm returned to work at Mack Trucks on September 6, 2019, following a medical leave of absence, she was placed into a Mack in Motion position on 1st shift. Mack in Motion is a production area that builds “day carts” and other miscellaneous items that would be used on the production line primarily to hold parts, tools, or other objects to help make work more efficient for the production technicians working on the line.

6. At the time Ms. Behm was placed in a Mack in Motion position, she was employed as a Production Flex technician, which meant that she could be placed in any production role in the facility.

7. While assigned to the Mack in Motion position, Ms. Behm worked the same hours and received the same pay that she received while working in other 1st shift production positions at Mack Trucks.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on this the 11th day of April, 2022.



Kaitlyn O'Neill